

prospectus supplement. Since the issuing entity is created pursuant to the pooling and servicing agreement, the issuing entity and its permissible activities can only be amended or modified by amending the pooling and servicing agreement.

Because the issuing entity is a common law trust, it may not be eligible for relief under the federal bankruptcy laws, unless it can be characterized as a “business trust” for purposes of the federal bankruptcy laws. Bankruptcy courts look at various considerations in making this determination, so it is not possible to predict with any certainty whether or not the issuing entity would be characterized as a “business trust.”

### **Static Pool Data**

Certain static pool data with respect to the delinquency, cumulative loss and prepayment data for Countrywide Home Loans is available online at <http://www.countrywidedealsdata.com?CWDD=01200612>. This static pool data is not deemed part of the prospectus or the registration statement of which the prospectus is a part to the extent that the static pool data relates to:

- prior securitized pools of Countrywide Home Loans that do not include the mortgage loans and that were established before January 1, 2006; or
- in the case of information regarding the mortgage loans, information about the mortgage loans for periods before January 1, 2006.

We cannot assure you that the prepayment, loss or delinquency experience of the mortgage loans sold to the issuing entity will be comparable to the historical prepayment, loss or delinquency experience of any of the other securitized pools sponsored by the Countrywide Home Loans. In this regard, you should note how the characteristics of the mortgage loans in those securitized pools differ from the characteristics of the issuing entity’s mortgage loans. Such differences, along with the varying economic conditions to which those securitized pools were subject, may make it unlikely that the issuing entity’s mortgage loans will perform in the same way that any of those pools has performed.

### **Description of the Certificates**

#### **General**

The certificates will be issued pursuant to the pooling and servicing agreement. We summarize below the material terms and provisions pursuant to which the certificates will be issued. The summaries are subject to, and are qualified in their entirety by reference to, the provisions of the pooling and servicing agreement. When particular provisions or terms used in the pooling and servicing agreement are referred to, the actual provisions (including definitions of terms) are incorporated by reference. We will file a final copy of the pooling and servicing agreement after the issuing entity issues the certificates.

The certificates represent obligations of the issuing entity only and do not represent an interest in or obligation of CWALT, Inc., Countrywide Home Loans, Inc. (or any other seller), Countrywide Home Loans Servicing LP or any of their affiliates.

The Mortgage Pass-Through Certificates, Series 2007-1T1 will consist of the Class 1-A-1, Class 1-A-2, Class 1-A-3, Class 1-A-4, Class 1-A-5, Class 1-A-6, Class 1-A-7, Class 1-A-8, Class 1-A-9, Class 1-A-10, Class 1-A-11, Class 1-A-12, Class 1-A-13, Class 1-A-14, Class 2-A-1, Class 2-A-2, Class 2-A-3, Class 2-A-4, Class 2-A-5, Class 2-A-6, Class 2-A-7, Class 2-A-8, Class 2-A-9, Class 2-A-10, Class 2-A-11, Class 2-A-12, Class 2-A-13, Class 2-A-14, Class 2-A-15, Class 2-A-16, Class 2-A-17, Class

2-A-18, Class 2-A-19, Class 1-X, Class 2-X, Class PO, Class A-R, Class M-A, Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class B-1, Class B-2, Class B-3, Class B-4 and Class B-5 Certificates. Only the classes of certificates listed on the cover page hereof are offered by this prospectus supplement.

When describing the certificates in this prospectus supplement, we use the following terms:

<b>Designation</b>	<b>Classes of Certificates</b>
Group 1 Senior Certificates	Class 1-A-1, Class 1-A-2, Class 1-A-3, Class 1-A-4, Class 1-A-5, Class 1-A-6, Class 1-X and Class A-R Certificates and Class PO-1 Component
Group 2 Senior Certificates	Class 2-A-1, Class 2-A-2, Class 2-A-3, Class 2-A-4, Class 2-A-5, Class 2-A-6, Class 2-A-7 and Class 2-X Certificates and Class PO-2 Component
Senior Certificate Group	Each of the Group 1 Senior Certificates and the Group 2 Senior Certificates
Senior Certificates	Group 1 Senior Certificates and Group 2 Senior Certificates
Mezzanine Certificates	Class M-A Certificates
Subordinated Certificates	Class M Certificates and Class B Certificates
LIBOR Certificates	Class 2-A-1 and Class 2-A-2 Certificates
Class A Certificates	Class 1-A-1, Class 1-A-2, Class 1-A-3, Class 1-A-4, Class 1-A-5, Class 1-A-6, Class 1-A-7, Class 1-A-8, Class 1-A-9, Class 1-A-10, Class 1-A-11, Class 1-A-12, Class 1-A-13, Class 1-A-14, Class 2-A-1, Class 2-A-2, Class 2-A-3, Class 2-A-4, Class 2-A-5, Class 2-A-6, Class 2-A-7, Class 2-A-8, Class 2-A-9, Class 2-A-10, Class 2-A-11, Class 2-A-12, Class 2-A-13, Class 2-A-14, Class 2-A-15, Class 2-A-16, Class 2-A-17, Class 2-A-18, Class 2-A-19 and Class A-R Certificates
Class X Certificates	Class 1-X and Class 2-X Certificates
Class M Certificates	Class M-1, Class M-2, Class M-3, Class M-4 and Class M-5 Certificates
Class B Certificates	Class B-1, Class B-2, Class B-3, Class B-4 and Class B-5 Certificates
Notional Amount Certificates	Class 1-A-11, Class 1-A-14, Class 2-A-2, Class 2-A-12, Class 2-A-15, Class 2-A-18, Class 1-X and Class 2-X Certificates
Class PO Certificates	Class PO-1 and Class PO-2 Components
Depositable Certificates	Class 1-A-1, Class 1-A-5, Class 2-A-3, Class 2-A-4, Class 2-A-5, Class 2-A-6 and Class 2-A-7 Certificates
Exchangeable Certificates	Class 1-A-7, Class 1-A-8, Class 1-A-9, Class 1-A-10, Class 1-A-11, Class 1-A-12, Class 1-A-13, Class 1-A-14, Class 2-A-8, Class 2-A-9, Class 2-A-10, Class 2-A-11, Class 2-A-12, Class 2-A-13, Class 2-A-14, Class 2-A-15, Class 2-A-16, Class 2-A-17, Class 2-A-18 and Class 2-A-19 Certificates
Offered Certificates	Class A, Class X, Class PO, Class M-A, Class M, Class B-1 and Class B-2 Certificates

The certificates are generally referred to as the following types:

<b>Class</b>	<b>Type</b>
<i>Offered Certificates</i>	
Class 1-A-1	Senior/Fixed Pass-Through Rate/Depositable
Class 1-A-2	Senior/Fixed Pass-Through Rate/Super Senior
Class 1-A-3	Senior/Fixed Pass-Through Rate
Class 1-A-4	Senior/Fixed Pass-Through Rate
Class 1-A-5	Senior/Fixed Pass-Through Rate/NAS/Depositable

Class	Type
Class 1-A-6	Senior/Fixed Pass-Through Rate/Support
Class 1-A-7	Senior/Fixed Pass-Through Rate/NAS/Super Senior/Exchangeable
Class 1-A-8	Senior/Fixed Pass-Through Rate/NAS/Support/Exchangeable
Class 1-A-9	Senior/Fixed Pass-Through Rate/Exchangeable
Class 1-A-10	Senior/Fixed Pass-Through Rate/Exchangeable
Class 1-A-11	Senior/Fixed Pass-Through Rate/Interest Only/Notional Amount/Exchangeable
Class 1-A-12	Senior/Fixed Pass-Through Rate/NAS/Exchangeable
Class 1-A-13	Senior/Fixed Pass-Through Rate/NAS/Exchangeable
Class 1-A-14	Senior/Fixed Pass-Through Rate/Interest Only/Notional Amount/Exchangeable
Class 1-X	Senior/Notional Amount/Interest Only/Variable Pass-Through Rate
Class 2-A-1	Senior/Floating Pass-Through Rate
Class 2-A-2	Senior/Inverse Floating Pass-Through Rate/Interest Only/Notional Amount
Class 2-A-3	Senior/Fixed Pass-Through Rate/Depositable
Class 2-A-4	Senior/Fixed Pass-Through Rate/Depositable
Class 2-A-5	Senior/Fixed Pass-Through Rate/Depositable
Class 2-A-6	Senior/Fixed Pass-Through Rate/Super Senior/Depositable
Class 2-A-7	Senior/Fixed Pass-Through Rate/Support/Depositable
Class 2-A-8	Senior/Fixed Pass-Through Rate/Exchangeable
Class 2-A-9	Senior/Fixed Pass-Through Rate/Exchangeable
Class 2-A-10	Senior/Fixed Pass-Through Rate/Exchangeable
Class 2-A-11	Senior/Fixed Pass-Through Rate/Exchangeable
Class 2-A-12	Senior/Fixed Pass-Through Rate/Interest Only/Notional Amount/Exchangeable
Class 2-A-13	Senior/Fixed Pass-Through Rate/Exchangeable
Class 2-A-14	Senior/Fixed Pass-Through Rate/Exchangeable
Class 2-A-15	Senior/Fixed Pass-Through Rate/Interest Only/Notional Amount/Exchangeable
Class 2-A-16	Senior/Fixed Pass-Through Rate/Exchangeable
Class 2-A-17	Senior/Fixed Pass-Through Rate/Exchangeable
Class 2-A-18	Senior/Fixed Pass-Through Rate/Interest Only/Notional Amount/Exchangeable
Class 2-A-19	Senior/Fixed Pass-Through Rate/Exchangeable
Class 2-X	Senior/Notional Amount/Interest-Only/Variable Pass-Through Rate
Class PO	Senior/Principal Only/Component
Class A-R	Senior/Residual
Class M-A	Mezzanine/ Fixed Pass-Through Rate
Subordinated Certificates	Subordinate/Fixed Pass-Through Rate

The Class B-3, Class B-4 and Class B-5 Certificates are not being offered by this prospectus supplement. Any information presented in this prospectus supplement with respect to the Class B-3, Class B-4 and Class B-5 Certificates is provided only to permit a better understanding of the offered certificates.

The senior certificates will have an initial aggregate class certificate balance of approximately \$465,713,324 and will evidence in the aggregate an initial beneficial ownership interest of approximately 93.15% in the issuing entity. The mezzanine certificates and subordinated certificates will each evidence the initial beneficial ownership interest in the issuing entity set forth below:

<b>Class of Mezzanine or Subordinated Certificates</b>	<b>Initial Beneficial Ownership Interest</b>
Class M-A .....	0.85%
Class M-1 .....	2.15%
Class M-2 .....	0.50%
Class M-3 .....	0.45%
Class M-4 .....	0.35%
Class M-5 .....	0.65%
Class B-1 .....	0.25%
Class B-2 .....	0.40%
Class B-3 .....	0.50%
Class B-4 .....	0.40%
Class B-5 .....	0.35%

### **Calculation of Class Certificate Balance**

The “Class Certificate Balance” of any class of certificates (other than the notional amount certificates) as of any Distribution Date is the initial Class Certificate Balance of the class *reduced by* the sum of:

- all amounts previously distributed to holders of certificates of the class as payments of principal,
- the amount of Realized Losses allocated to the class, and
- in the case of any class of mezzanine certificates and subordinated certificates, any amounts allocated to the class in reduction of its Class Certificate Balance in respect of payments of Class PO Deferred Amounts, as described under “— *Allocation of Losses*;”

*provided, however*, that the Class Certificate Balance of each class of certificates to which Realized Losses have been allocated will be increased sequentially in the order of distribution priority (from highest to lowest) by the amount of Subsequent Recoveries on the mortgage loans in a loan group distributed as principal to any related class of certificates, but not by more than the amount of Realized Losses previously allocated to reduce the Class Certificate Balance of that class of certificates. See “*The Agreements — Realization Upon Defaulted Loans — Application of Liquidation Proceeds*” in the prospectus.

The Class Certificate Balance of the each outstanding class of Exchangeable Certificates for any Distribution Date will equal the proportionate share of the aggregate Class Certificate Balance immediately prior to that Distribution Date of the related classes of Depositable Certificates that have been deposited.

In addition, the Class Certificate Balance of the class of subordinated certificates then outstanding with the highest numerical class designation, or the mezzanine certificates if no class of subordinated certificates is outstanding, will be reduced if and to the extent that the aggregate of the Class Certificate Balances of all classes of certificates, following all distributions and the allocation of all Realized Losses on any Distribution Date, exceeds the aggregate Stated Principal Balance of the mortgage loans as of the

Due Date occurring in the month of that Distribution Date (after giving effect to principal prepayments received in the related Prepayment Period).

### **Component Class**

Solely for purposes of calculating distributions and allocating losses, the Class PO Certificates will be made up of multiple components having the designations and initial component balances set forth below as of the closing date:

<u>Designation</u>	<u>Initial Component Balance</u>
Class PO-1 Component .....	\$898,825
Class PO-2 Component .....	\$752,399

The component balance with respect to any component as of any Distribution Date is the initial component balance thereof on the closing date, reduced by all amounts applied and losses allocated in reduction of the principal balance of such component on all previous Distribution Dates.

The Class Certificate Balance of the Class PO Certificates on any Distribution Date will equal the aggregate of the component balances described above on that Distribution Date. The components comprising the Class PO Certificates will not be separately transferable from the Class PO Certificates. As used in this prospectus supplement, "Class PO Component" will mean the Class PO-1 Component or the Class PO-2 Component, as applicable.

### **Notional Amount Certificates**

The Class 1-A-11, Class 1-A-14, Class 2-A-2, Class 2-A-12, Class 2-A-15, Class 2-A-18, Class 1-X and Class 2-X Certificates are notional amount certificates.

The notional amount of the Class 1-A-11 Certificates for any Distribution Date will equal the sum of (i) the product of (a) the Class Certificate Balance of the Class 1-A-9 Certificates immediately prior to such Distribution Date and (b) a fraction, the numerator of which is 0.50 and the denominator of which is 6.00, and (ii) the product of (a) the Class Certificate Balance of the Class 1-A-10 Certificates immediately prior to such Distribution Date and (b) a fraction, the numerator of which is 0.25 and the denominator of which is 6.00. *See footnote (3) to the table in Annex I attached hereto.*

The notional amount of the Class 1-A-14 Certificates for any Distribution Date will equal the sum of (i) the product of (a) the Class Certificate Balance of the Class 1-A-12 Certificates immediately prior to such Distribution Date and (b) a fraction, the numerator of which is 0.50 and the denominator of which is 6.00, and (ii) the product of (a) the Class Certificate Balance of the Class 1-A-13 Certificates immediately prior to such Distribution Date and (b) a fraction, the numerator of which is 0.25 and the denominator of which is 6.00. *See footnote (5) to the table in Annex I attached hereto.*

The notional amount for any Distribution Date and the Class 2-A-2 Certificates will equal the Class Certificate Balance of the Class 2-A-1 Certificates immediately prior to such Distribution Date.

The notional amount of the Class 2-A-12 Certificates for any Distribution Date will equal the sum of (i) the product of (a) the Class Certificate Balance of the Class 2-A-10 Certificates immediately prior to such Distribution Date and (b) a fraction, the numerator of which is 0.50 and the denominator of which is 6.00, and (ii) the product of (a) the Class Certificate Balance of the Class 2-A-11 Certificates immediately

prior to such Distribution Date and (b) a fraction, the numerator of which is 0.25 and the denominator of which is 6.00. *See footnote (6)* to the table in Annex I attached hereto.

The notional amount of the Class 2-A-15 Certificates for any Distribution Date will equal the sum of (i) the product of (a) the Class Certificate Balance of the Class 2-A-13 Certificates immediately prior to such Distribution Date and (b) a fraction, the numerator of which is 0.50 and the denominator of which is 6.00, and (ii) the product of (a) the Class Certificate Balance of the Class 2-A-14 Certificates immediately prior to such Distribution Date and (b) a fraction, the numerator of which is 0.25 and the denominator of which is 6.00. *See footnote (7)* to the table in Annex I attached hereto.

The notional amount of the Class 2-A-18 Certificates for any Distribution Date will equal the sum of (i) the product of (a) the Class Certificate Balance of the Class 2-A-16 Certificates immediately prior to such Distribution Date and (b) a fraction, the numerator of which is 0.50 and the denominator of which is 6.00, and (ii) the product of (a) the Class Certificate Balance of the Class 2-A-17 Certificates immediately prior to such Distribution Date and (b) a fraction, the numerator of which is 0.25 and the denominator of which is 6.00. *See footnote (8)* to the table in Annex I attached hereto.

The notional amount for any Distribution Date and the Class 1-X Certificates for any Distribution Date will equal the aggregate Stated Principal Balance of the Non-Discount mortgage loans in loan group 1 as of the Due Date in the preceding calendar month (after giving effect to prepayments received in the Prepayment Period related to that preceding Due Date).

The notional amount for any Distribution Date and the Class 2-X Certificates for any Distribution Date will equal the aggregate Stated Principal Balance of the Non-Discount mortgage loans in loan group 2 as of the Due Date in the preceding calendar month (after giving effect to prepayments received in the Prepayment Period related to that preceding Due Date).

### **Book-Entry Certificates; Denominations**

The offered certificates, other than the Class A-R Certificates, will be issued as book-entry certificates. The Class A-R Certificates will be issued as two certificates in fully registered certificated form in an aggregate denomination of \$100. Each class of book-entry certificates will be issued as one or more certificates which in the aggregate will equal the initial Class Certificate Balance of each class of certificates and which will be held by a depository, initially a nominee of The Depository Trust Company. Beneficial interests in the book entry certificates will be held indirectly by investors through the book-entry facilities of the depository, as described in this prospectus supplement. Investors may hold the beneficial interests in the book-entry certificates (other than the Class 1-A-4 Certificates) in minimum denominations representing an original principal amount or notional amount of \$25,000 and in integral multiples of \$1.00 in excess thereof. Investors may hold the beneficial interests in the Class 1-A-4 Certificates in minimum denominations representing an original principal amount or notional amount of \$1,000 and in integral multiples of \$1.00 in excess thereof. The depositor has been informed by the depository that its nominee will be CEDE & Co. ("CEDE"). Accordingly, CEDE is expected to be the holder of record of the book-entry certificates. Except as described in the prospectus under "*Description of the Securities — Book-Entry Registration of Securities*," no beneficial owner acquiring a book-entry certificate will be entitled to receive a physical certificate representing the certificate.

Unless and until definitive certificates are issued, it is anticipated that the only certificateholder of the book-entry certificates will be CEDE, as nominee of the depository. Beneficial owners of the book-entry certificates will not be certificateholders, as that term is used in the pooling and servicing agreement. Beneficial owners are only permitted to exercise the rights of certificateholders indirectly through financial intermediaries and the depository. Monthly and annual reports on the issuing entity

provided to CEDE, as nominee of the depository, may be made available to beneficial owners upon request, in accordance with the rules, regulations and procedures creating and affecting the depository, and to the financial intermediaries to whose depository accounts the book-entry certificates of the beneficial owners are credited.

For a description of the procedures generally applicable to the book-entry certificates, see “*Description of the Securities — Book-Entry Registration of Securities*” in the prospectus.

Although The Depository Trust Company has agreed to the foregoing procedures in order to facilitate transfers of certificates among participants of The Depository Trust Company, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

### **Determination of LIBOR**

The LIBOR Certificates will bear interest during their initial interest accrual period at the applicable initial pass-through rates set forth in the table under “— *Interest*” below, and during each interest accrual period thereafter at the applicable rate determined as described in the table under “— *Interest*” below.

LIBOR applicable to an interest accrual period for the LIBOR Certificates will be determined on the second business day prior to the commencement of that interest accrual period (a “LIBOR Determination Date”). On each LIBOR Determination Date, the trustee, as Calculation Agent, will establish LIBOR for the related interest accrual period on the basis of the rate for one-month deposits in U.S. dollars quoted on the Bloomberg Terminal for that LIBOR Determination Date.

If on any LIBOR Determination Date, the calculation agent is unable to calculate LIBOR in accordance with the method set forth in the immediately preceding paragraph, LIBOR for the next interest accrual period shall be calculated in accordance with the method described in the prospectus under “*Description of the Securities — Indices Applicable to Floating Rate and Inverse Floating Rate Classes — BBA Method.*”

If on the initial LIBOR Determination Date, the calculation agent is required but unable to determine LIBOR in the manner provided in this prospectus supplement, LIBOR for the next interest accrual period will be 5.32%.

### **Payments on Mortgage Loans; Accounts**

*Certificate Account.* On or before the closing date, the master servicer will establish an account (the “Certificate Account”), which will be maintained in trust for the benefit of the certificateholders. The Certificate Account will be established by the master servicer initially at Countrywide Bank, N.A., which is an affiliate of the depositor, the sellers and the master servicer. The master servicer will deposit or cause to be deposited in the Certificate Account, within two business days after receipt (or, on a daily basis, if the long-term credit rating of Countrywide Home Loans has been reduced below the rating specified in the pooling and servicing agreement) the following payments and collections remitted by subservicers or received by it in respect of mortgage loans subsequent to the cut-off date (other than in respect of principal and interest due on the mortgage loans on or before the cut-off date) and the following amounts required to be deposited under the pooling and servicing agreement:

- all payments on account of principal on the mortgage loans, including principal prepayments;

- all payments on account of interest on the mortgage loans, net of the related master servicing fee (as adjusted by Compensating Interest payments) and any lender paid mortgage insurance premiums;
- all insurance proceeds, Subsequent Recoveries and liquidation proceeds, other than proceeds to be applied to the restoration or repair of a mortgaged property or released to the mortgagor in accordance with the master servicer's normal servicing procedures;
- any amount required to be deposited by the master servicer pursuant to the pooling and servicing agreement in connection with any losses on permitted investments for which it is responsible;
- any amounts received by the master servicer with respect to primary mortgage insurance and in respect of net monthly rental income from REO Property;
- all Substitution Adjustment Amounts; and
- all advances made by the master servicer.

Prior to their deposit into the Certificate Account, payments and collections on the mortgage loans will be commingled with payments and collections on other mortgage loans and other funds of the master servicer. For a discussion of the risks that arise from the commingling of payments and collections, see "*Risk Factors — Bankruptcy Or Insolvency May Affect The Timing And Amount Of Distributions On The Securities*" in the prospectus.

The master servicer may from time to time make withdrawals from the Certificate Account for the following purposes:

- to pay to the master servicer the master servicing fee and the additional servicing compensation (to the extent not previously retained by the master servicer) described above under "*Servicing of Mortgage Loans—Servicing Compensation and Payment of Expenses*";
- to reimburse each of the master servicer and the trustee for unreimbursed advances made by it, which right of reimbursement pursuant to this subclause being limited to amounts received on the mortgage loan(s) in respect of which any such advance was made;
- to reimburse each of the master servicer and the trustee for any nonrecoverable advance previously made by it (and prior to the reimbursement, the master servicer will deliver to the trustee an officer's certificate indicating the amount of the nonrecoverable advance and identifying the related mortgage loan(s), and their respective portions of the nonrecoverable advance);
- to reimburse the master servicer for insured expenses from the related insurance proceeds;
- to reimburse the master servicer for (a) any unreimbursed customary, reasonable and necessary "out of pocket" costs and expenses incurred in the performance by the master servicer of its servicing obligations, including, but not limited to, the cost of (i) the preservation, restoration and protection of a mortgaged property, (ii) any enforcement or judicial proceedings, including foreclosures, (iii) the management and liquidation of any REO Property and (iv) maintaining any required insurance policies (collectively,



“Servicing Advances”), which right of reimbursement pursuant to this clause is limited to amounts received representing late recoveries of the payments of these costs and expenses (or liquidation proceeds or Subsequent Recoveries, purchase proceeds or repurchase proceeds with respect thereto);

- to pay to the purchaser, with respect to each mortgage loan or property acquired in respect thereof that it has purchased as required under the pooling and servicing agreement, all amounts received on such mortgage loan after the date of such purchase;
- to reimburse the sellers and the master servicer for expenses incurred by any of them and reimbursable pursuant to the pooling and servicing agreement;
- to withdraw any amount deposited in the Certificate Account and not required to be deposited in the Certificate Account;
- to withdraw an amount equal to the sum of (a) the related Available Funds and (b) the trustee fee for such Distribution Date and remit such amount to the trustee for deposit in the Distribution Account; and
- to clear and terminate the Certificate Account upon termination of the pooling and servicing agreement.

The master servicer is required to maintain separate accounting, on a mortgage loan by mortgage loan basis, for the purpose of justifying any withdrawal from the Certificate Account described in the first six bullet points above.

*Distribution Account.* On or before the business day immediately preceding each Distribution Date, the master servicer will withdraw from the Certificate Account the amount of Available Funds for each loan group and the trustee fee and will deposit those amounts in an account established and maintained with the trustee on behalf of the certificateholders (the “Distribution Account”). The trustee will, promptly upon receipt, deposit in the Distribution Account and retain therein:

- the aggregate amount remitted by the master servicer to the trustee; and
- any amount required to be deposited by the master servicer in connection with any losses on investment of funds in the Distribution Account.

The trustee will withdraw funds from the Distribution Account for distribution to the certificateholders as described below under “— *Priority of Distributions Among Certificates*” and may from time to time make withdrawals from the Distribution Account:

- to pay the trustee fee to the trustee;
- to pay to the master servicer, as additional servicing compensation, earnings on or investment income with respect to funds in or credited to the Distribution Account;
- to withdraw any amount deposited in the Distribution Account and not required to be deposited therein (which withdrawal may be at the direction of the master servicer through delivery of a written notice to the trustee describing the amounts deposited in error); and

- to clear and terminate the Distribution Account upon the termination of the pooling and servicing agreement.

There is no independent verification of the transaction accounts or the transaction activity with respect to the Distribution Account.

Prior to each Determination Date, the master servicer is required to provide the trustee a report containing the data and information concerning the mortgage loans that is required by the trustee to prepare the monthly statement to certificateholders for the related Distribution Date. See “— *Reports to Certificateholders*” in this prospectus supplement. The trustee is not responsible for recomputing, recalculating or verifying the information provided to it by the master servicer in that report and will be permitted to conclusively rely on any information provided to it by the master servicer.

*Exchangeable Certificates Distribution Account.* On or prior to the closing date, the trustee will establish an account (the “Exchangeable Certificates Distribution Account”), which will be maintained in trust for the benefit of the holders of the Exchangeable Certificates. The trustee will deposit or cause to be deposited in the Exchangeable Certificates Distribution Account all amounts it receives in respect of the Depositable Certificates that have been deposited, which will then be used to make distributions on that day to the applicable class or classes of then outstanding Exchangeable Certificates as described below. Funds on deposit in the Exchangeable Certificates Distribution Account will not be invested.

### **Investments of Amounts Held in Accounts**

*The Certificate Account and the Distribution Account.* All funds in the Certificate Account and the Distribution Account will be invested in permitted investments at the direction, and for the benefit and risk, of the master servicer. All income and gain net of any losses realized from the investment will be for the benefit of the master servicer as additional servicing compensation and will be remitted to it monthly as described herein.

The amount of any losses incurred in the Certificate Account or the Distribution Account in respect of the investments will be deposited by the master servicer in the Certificate Account or paid to the trustee for deposit into the Distribution Account out of the master servicer’s own funds immediately as realized. The trustee will not be liable for the amount of any loss incurred in respect of any investment or lack of investment of funds held in the Certificate Account or the Distribution Account and made in accordance with the pooling and servicing agreement.

*The Corridor Contract Reserve Fund.* Funds in the Corridor Contract Reserve Fund will not be invested.

### **Exchangeable Certificates**

*General.* The Class 1-A-1, Class 1-A-5, Class 2-A-3, Class 2-A-4, Class 2-A-5, Class 2-A-6 and Class 2-A-7 Certificates are “Depositale Certificates.” All or a portion of the Depositale Certificates may be exchanged for a proportionate interest in the Class 1-A-7, Class 1-A-8, Class 1-A-9, Class 1-A-10, Class 1-A-11, Class 1-A-12, Class 1-A-13, Class 1-A-14, Class 2-A-8, Class 2-A-9, Class 2-A-10, Class 2-A-11, Class 2-A-12, Class 2-A-13, Class 2-A-14, Class 2-A-15, Class 2-A-16, Class 2-A-17, Class 2-A-18 and Class 2-A-19 Certificates (the “Exchangeable Certificates”) in the combinations shown in Annex I. All or a portion of the Exchangeable Certificates may also be exchanged for the related classes of Depositale Certificates in the same manner. Each exchange may be effected only in proportions that result in the principal and interest entitlements of the certificates being received

being equal to the principal and interest entitlements of the certificates surrendered. This process may occur repeatedly.

The classes of Depositable Certificates and of Exchangeable Certificates that are outstanding at any given time, and the outstanding Class Certificate Balances of these classes, will depend upon any related distributions of principal, as well as any exchanges that occur and prior principal distributions. Depositable Certificates and Exchangeable Certificates may be exchanged only in the combinations and in the proportions that the initial Class Certificate Balances of such certificates bear to one another as shown in Annex I.

Holders of an outstanding class of Exchangeable Certificates will be the beneficial owners of a proportionate interest in the related Depositable Certificates that are deposited and will receive a proportionate share of the distributions on those certificates.

*Procedures.* If a holder of Depositable Certificates wishes to exchange its Depositable Certificates for the related Exchangeable Certificates or a holder of Exchangeable Certificates wishes to exchange its Exchangeable Certificates for the related Depositable Certificates, the certificateholder must notify the trustee no later than three business days before the proposed exchange date. Notice to the trustee may be provided by email to cwmacrs@bankofny.com or by telephone at (800) 254-2826. The exchange date will be subject to the trustee's approval but it can generally be any business day other than the first or last business day of the month. The notice must (i) be on the certificateholder's letterhead, (ii) carry a medallion stamp guarantee or be signed by an authorized signatory and be presented with an incumbency certificate and (iii) set forth the following information: the CUSIP number of both the certificates to be exchanged and the certificates to be received, the outstanding Class Certificate Balance and the initial Class Certificate Balance of the certificates to be exchanged, the certificateholder's DTC participant number and the proposed exchange date. After receiving the notice, the trustee will e-mail the certificateholder with wire payment instructions relating to the exchange fee and, assuming the combination or exchange is a permitted combination or exchange as listed on Annex I, the certificateholder will use the Deposit and Withdrawal System at DTC to exchange the certificates. A notice becomes irrevocable on the second business day before the proposed exchange date.

In connection with each exchange, the certificateholder must pay the trustee a fee equal to 1/32 of 1% of the outstanding Class Certificate Balance of the certificates to be exchanged. In no event, however, will the fee be either less than \$2,000 or greater than \$25,000. The exchange will be completed upon the receipt by the trustee of the exchange fee and the beneficial interest in the Depositable Certificates.

The trustee will make the first distribution on a Depositable Certificate or an Exchangeable Certificate received in an exchange transaction on the Distribution Date in the following month to the certificateholder of record as of the close of business on the last day of the month of the exchange.

Neither the trustee nor the depositor will have any obligation to ensure the availability of the applicable certificates for the desired combination or exchange or to accomplish any combination or exchange other than those listed on Annex I.

## Fees and Expenses

The following summarizes the related fees and expenses to be paid from the assets of the issuing entity and the source of payments for the fees and expenses:

Type / Recipient (1)	Amount	General Purpose	Source (2)	Frequency
<i>Fees</i>				
Master Servicing Fee / Master Servicer	One-twelfth of the Stated Principal Balance of each mortgage loan multiplied by the master servicing fee rate (3)	Compensation	Amounts on deposit in the Certificate Account representing payments of interest and application of liquidation proceeds with respect to that mortgage loan	Monthly
	<ul style="list-style-type: none"> <li>All late payment fees, assumption fees and other similar charges including prepayment charges</li> </ul>	Compensation	Payments made by obligors with respect to the mortgage loans	Time to time
	<ul style="list-style-type: none"> <li>All investment income earned on amounts on deposit in the Certificate Account and Distribution Account.</li> </ul>	Compensation	Investment income related to the Certificate Account and the Distribution Account	Monthly
	<ul style="list-style-type: none"> <li>Excess Proceeds (4)</li> </ul>	Compensation	Liquidation proceeds and Subsequent Recoveries	Time to time
Trustee Fee (the "Trustee Fee") / Trustee	One-twelfth of the Trustee Fee Rate multiplied by the aggregate Stated Principal Balance of the outstanding mortgage loans. (5)	Compensation	Amounts on deposit in the Certificate Account or the Distribution Account	Monthly
<i>Expenses</i>				
Insured expenses / Master Servicer	Expenses incurred by the master servicer	Reimbursement of Expenses	To the extent the expenses are covered by an insurance policy with respect to the mortgage loan	Time to time
Servicing Advances / Master Servicer	To the extent of funds available, the amount of any Servicing Advances.	Reimbursement of Expenses	With respect to each mortgage loan, late recoveries of the payments of the costs and expenses, liquidation proceeds, Subsequent Recoveries, purchase proceeds or repurchase proceeds for that mortgage loan (6)	Time to time
Indemnification expenses / the sellers, the master servicer and the depositor	Amounts for which the sellers, the master servicer and depositor are entitled to indemnification (7)	Indemnification	Amounts on deposit on the Certificate Account.	Monthly

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- (1) If the trustee succeeds to the position of master servicer, it will be entitled to receive the same fees and expenses of the master servicer described in this prospectus supplement. Any increase in the fees and expenses described in this prospectus supplement would require an amendment to the pooling and servicing agreement. See “*The Agreements—Amendment*” in the prospectus.
  - (2) Unless otherwise specified, the fees and expenses shown in this table are paid (or retained by the master servicer in the case of amounts owed to the master servicer) prior to distributions on the certificates.
  - (3) The master servicing fee rate for each mortgage loan will equal 0.200% per annum. The amount of the monthly servicing fee is subject to adjustment with respect to mortgage loans that are prepaid in full, as described in this prospectus supplement under “*Servicing of Mortgage Loans — Adjustment to Servicing Fee in Connection with Certain Prepaid Mortgage Loans*.”
  - (4) “Excess Proceeds” with respect to a liquidated mortgage loan means the amount, if any, by which the sum of any net liquidation proceeds and Subsequent Recoveries exceed the sum of (i) the unpaid principal balance of the mortgage loan plus (ii) accrued interest on the mortgage loan at the mortgage rate during each Due Period as to which interest was not paid or advanced on the mortgage loan.
  - (5) The “Trustee Fee Rate” is equal to 0.009% per annum.
  - (6) Reimbursement of Servicing Advances for a mortgage loan is limited to the late recoveries of the payments of the costs and expenses, liquidation proceeds, Subsequent Recoveries, purchase proceeds or repurchase proceeds for that mortgage loan.
  - (7) Each of the sellers, the master servicer, and the depositor are entitled to indemnification of certain expenses as described in this prospectus supplement under “— *Certain Matters Regarding the Master Servicer, the Depositor and the Sellers*.”

## Distributions

Distributions on the certificates will be made by the trustee on the 25<sup>th</sup> day of each month or, if that day is not a business day, on the first business day thereafter, commencing in February 2007 (each, a “Distribution Date”), to the persons in whose names the certificates are registered at the close of business on the Record Date. The “Record Date” for any Distribution Date will be the last business day of the calendar month immediately prior to the month in which that Distribution Date occurs.

Distributions on each Distribution Date will be made by check mailed to the address of the person entitled to it as it appears on the applicable certificate register or, in the case of a certificateholder who holds 100% of a class of certificates or who holds certificates with an aggregate initial certificate balance of \$1,000,000 or more or who holds a notional amount certificate and who has so notified the trustee in writing in accordance with the pooling and servicing agreement, by wire transfer in immediately available funds to the account of the certificateholder at a bank or other depository institution having appropriate wire transfer facilities; provided, however, that the final distribution in retirement of the certificates will be made only upon presentment and surrender of the certificates at the corporate trust office of the trustee.

## Priority of Distributions Among Certificates

As more fully described in this prospectus supplement, distributions on the group 1 senior certificates and the group 2 senior certificates will be made on each Distribution Date primarily from Available Funds of the related loan group, and, in certain circumstances, from any Available Funds from the other loan group remaining after distributions to the senior certificates related to such other loan group. Distributions on the mezzanine certificates and the subordinated certificates will be based on any remaining Available Funds for all of the loan groups for such Distribution Date, in each case after giving effect to distributions on all classes of senior certificates as described in the preceding sentence and payments in respect of Class PO Deferred Amounts. These distributions will be made in the following order of priority:

- to interest on each interest-bearing class of senior certificates relating to each loan group, *pro rata*, based on their respective interest entitlements;
- to principal of the classes and components of senior certificates relating to each loan group then entitled to receive distributions of principal, in the order and subject to the priorities set forth under “*Description of the Certificates — Principal*,” in this prospectus supplement, in each case in an aggregate amount up to the maximum amount of principal to be distributed on the classes and/or components on the Distribution Date;
- to any Class PO Deferred Amounts with respect to the applicable Class PO Component, but only from amounts that would otherwise be distributed on the Distribution Date as principal of the mezzanine certificates and the subordinated certificates;
- to interest on and then principal of the Class M-A Certificates subject to the limitations set forth under “*Description of the Certificates — Interest*” and “*— Principal*” in this prospectus supplement;
- to interest on and then principal of each class of subordinated certificates, in the order of their numerical class designations, beginning with the Class M-1 Certificates, in each case subject to the limitations set forth under “*Description of the Certificates — Interest*” and “*— Principal*” in this prospectus supplement; and

- any remaining available amounts to the Class A-R Certificates.

“Available Funds” for a loan group for any Distribution Date will be equal to *the sum of*:

- all scheduled installments of interest (net of the related Expense Fees and premiums in respect of lender acquired primary mortgage insurance on a mortgage loan) and principal due on the mortgage loans in that loan group on the Due Date in the month in which the Distribution Date occurs and received before the related Determination Date, together with any advances with respect to them;
- all proceeds of any primary mortgage guaranty insurance policies and any other insurance policies with respect to the mortgage loans in that loan group, to the extent the proceeds are not applied to the restoration of the related mortgaged property or released to the mortgagor in accordance with the master servicer’s normal servicing procedures and all other cash amounts received and retained in connection with (a) the liquidation of defaulted mortgage loans in that loan group, by foreclosure or otherwise during the calendar month preceding the month of the Distribution Date (in each case, net of unreimbursed expenses incurred in connection with a liquidation or foreclosure and unreimbursed advances, if any) and (b) any Subsequent Recoveries with respect to mortgage loans in that loan group;
- all partial or full prepayments with respect to mortgage loans in that loan group received during the related Prepayment Period together with interest paid in connection with the prepayment, other than certain excess amounts and the Compensating Interest; and
- amounts received with respect to the Distribution Date as the Substitution Adjustment Amount or purchase price in respect of a deleted mortgage loan or a mortgage loan in that loan group repurchased by a seller or the master servicer as of the Distribution Date,

*reduced by* amounts in reimbursement for advances previously made and other amounts as to which the master servicer is entitled to be reimbursed from the Certificate Account pursuant to the pooling and servicing agreement.

In the event that Depositable Certificates are exchanged for their related Exchangeable Certificates, such Exchangeable Certificates will be entitled to a proportionate share of the principal and interest distributions on each related class of Depositable Certificates that has been deposited. In addition, the outstanding Exchangeable Certificates will bear a proportionate share of losses and net interest shortfalls allocable to each related class of Depositable Certificates that has been deposited.

## **Interest**

*Pass-Through Rates.* The classes of offered certificates will have their respective pass-through rates set forth on the cover page hereof or as described below.

### LIBOR Certificates.

Each class of LIBOR Certificates will bear interest during its initial interest accrual period at the Initial Pass-Through Rate set forth below, and will bear interest during each interest accrual period thereafter, subject to the applicable Maximum and Minimum Pass-Through Rates, at the per annum rate determined by reference to LIBOR as described below:

<b>Class</b>	<b>Initial Pass-Through Rate</b>	<b>Maximum/Minimum Pass-Through Rate</b>	<b>Formula for Calculation of Class Pass-Through Rate</b>
Class 2-A-1 .....	5.79%	6.00% / 0.47%	LIBOR + 0.47%
Class 2-A-2 .....	0.21%	5.53% / 0.00%	5.53% - LIBOR

#### Class 1-X and Class 2-X Certificates

The pass-through rate for the Class 1-X Certificates for the interest accrual period for any Distribution Date will equal the excess of (a) the weighted average of the net mortgage rates of the Non-Discount mortgage loans in loan group 1, weighted on the basis of the Stated Principal Balance thereof as of the Due Date in the preceding calendar month (after giving effect to prepayments received in the Prepayment Period related to such prior Due Date), over (b) 6.00%. The pass-through rate for the Class 1-X Certificates for the interest accrual period for the first Distribution Date is expected to be approximately 0.43559% per annum.

The pass-through rate for the Class 2-X Certificates for the interest accrual period for any Distribution Date will equal the excess of (a) the weighted average of the net mortgage rates of the Non-Discount mortgage loans in loan group 2, weighted on the basis of the Stated Principal Balance thereof as of the Due Date in the preceding calendar month (after giving effect to prepayments received in the Prepayment Period related to such prior Due Date), over (b) 6.00%. The pass-through rate for the Class 2-X Certificates for the interest accrual period for the first Distribution Date is expected to be approximately 0.47392% per annum.

The Class PO Certificates are principal only certificates and will not bear interest.

*Interest Entitlement.* With respect to each Distribution Date for all of the interest-bearing certificates (other than the LIBOR Certificates), the interest accrual period will be the calendar month preceding the month of the Distribution Date. The interest accrual period for the LIBOR Certificates will be the one-month period commencing on the 25<sup>th</sup> day of the month before the month in which that Distribution Date occurs and ending on the 24<sup>th</sup> day of the month in which the Distribution Date occurs. Each interest accrual period will be deemed to consist of 30 days. Interest will be calculated and payable on the basis of a 360-day year divided into twelve 30-day months.

On each Distribution Date, to the extent of funds available therefor, each interest-bearing class of certificates will be entitled to receive an amount allocable to interest for the related interest accrual period. This “interest entitlement” for any class will be equal to *the sum of*:

- interest at the applicable pass-through rate on the related Class Certificate Balance or notional amount, as the case may be, immediately prior to that Distribution Date; and
- the sum of the amounts, if any, by which the amount described in the immediately preceding bullet point on each prior Distribution Date exceeded the amount actually distributed as interest on the prior Distribution Dates and not subsequently distributed (which are called unpaid interest amounts).

For each Distribution Date on or prior to a Corridor Contract Termination Date on which LIBOR exceeds the Corridor Contract Strike Rate, in addition to the interest entitlement described above, the Class 2-A-1 Certificates will be entitled to receive the yield supplement amount from payments under the Corridor Contract. See “—*The Corridor Contract*” in this prospectus supplement.



### Allocation of Net Interest Shortfalls

The interest entitlement described above for each class of certificates for any Distribution Date will be reduced by the amount of Net Interest Shortfalls for that Distribution Date experienced by (a) the related loan group, with respect to the interest-bearing senior certificates and (b) each of the loan groups, with respect to the mezzanine certificates and the subordinated certificates. With respect to any Distribution Date and loan group, the “Net Interest Shortfall” is equal to the sum of:

- any net prepayment interest shortfalls for that loan group and Distribution Date, and
- the amount of interest that would otherwise have been received with respect to any mortgage loan in that loan group that was the subject of a Relief Act Reduction or a Debt Service Reduction.

With respect to any Distribution Date, a “net prepayment interest shortfall” for each loan group is the amount by which the aggregate of prepayment interest shortfalls experienced by the mortgage loans in that loan group exceeds the sum of (x) the Compensating Interest for that loan group and Distribution Date and (y) the excess, if any, of the Compensating Interest for the other loan group over the prepayment interest shortfalls for that loan group.

A “prepayment interest shortfall” is the amount by which interest paid by a borrower in connection with a prepayment of principal on a mortgage loan during the portion of the related Prepayment Period occurring in the calendar month preceding the month of the Distribution Date is less than one month’s interest at the related mortgage rate less the master servicing fee rate on the Stated Principal Balance of the mortgage loan.

A “Relief Act Reduction” is a reduction in the amount of the monthly interest payment on a mortgage loan pursuant to the Servicemembers Civil Relief Act or similar state laws. See “*The Agreements—Certain Legal Aspects of the Loans — Servicemembers Civil Relief Act*” in the prospectus.

A “Debt Service Reduction” is the modification of the terms of a mortgage loan in the course of a borrower’s bankruptcy proceeding, allowing for the reduction of the amount of the monthly payment on the related mortgage loan.

Net Interest Shortfalls for a loan group on any Distribution Date will be allocated *pro rata* among all interest-bearing classes of the related senior certificates and the mezzanine and subordinated certificates entitled to receive distributions of interest on such Distribution Date, based on the amount of interest each such class of certificates would otherwise be entitled to receive (or, in the case of the mezzanine certificates and the subordinated certificates, be deemed to be entitled to receive based on each such class’ share of the Assumed Balance, as described more fully below) on such Distribution Date, in each case before taking into account any reduction in such amounts from such Net Interest Shortfalls. On each Distribution Date, each outstanding class of Exchangeable Certificates will be allocated a proportionate share of the Net Interest Shortfalls allocated to the related classes of Depositable Certificates that have been deposited.

For purposes of allocating Net Interest Shortfalls for a loan group to the mezzanine certificates and the subordinated certificates on any Distribution Date, the amount of interest of the mezzanine certificates and each class of subordinated certificates would otherwise be deemed to be entitled to receive from Available Funds for that loan group on the Distribution Date will be equal to an amount of interest at the pass-through rate on a balance equal to that class’ *pro rata* share (based on their respective Class Certificate Balances) of the Assumed Balance for that Distribution Date. The “Assumed Balance”

for a Distribution Date and loan group is equal to the Subordinated Percentage for that Distribution Date relating to that loan group of the aggregate of the applicable Non-PO Percentage of the Stated Principal Balance of each mortgage loan in such loan group as of the Due Date occurring in the month prior to the month of that Distribution Date (after giving effect to prepayments received in the Prepayment Period related to such Due Date); provided, however, on any Distribution Date after a Senior Termination Date, Net Interest Shortfalls will be allocated to the mezzanine certificates and the subordinated certificates based on the amount of interest each such class of certificates would otherwise be entitled to receive on that Distribution Date.

Each class' *pro rata* share of the Net Interest Shortfalls will be based on the amount of interest the class otherwise would have been entitled to receive on the Distribution Date.

If on a particular Distribution Date, Available Funds for a loan group in the Certificate Account applied in the order described above under “— *Priority of Distributions Among Certificates*” are not sufficient to make a full distribution of the interest entitlement on the certificates related to that loan group, interest will be distributed on each class of certificates of equal priority, *pro rata* based on the amount of interest it would otherwise have been entitled to receive in the absence of the shortfall. Any unpaid interest amount will be carried forward and added to the amount holders of each class of certificates will be entitled to receive on the next Distribution Date. A shortfall could occur, for example, if losses realized on the mortgage loans in a loan group were exceptionally high or were concentrated in a particular month. Any unpaid interest amount so carried forward will not bear interest.

### **The Corridor Contract**

Countrywide Home Loans has entered into an interest rate corridor transaction with Bank of America, N.A. (“BANA” or the “Corridor Contract Counterparty”). On the closing date, Countrywide Home Loans will assign its rights by novation under such interest rate corridor transaction to The Bank of New York, as trustee of the supplemental interest trust (in such capacity, the “supplemental interest trustee”) as evidenced by a novation confirmation among Countrywide Home Loans, the supplemental interest trustee and the Corridor Contract Counterparty (the “Corridor Contract”).

The Corridor Contract will be an asset of a separate trust (the “supplemental interest trust”) created under the pooling and servicing agreement for the benefit of the Class 2-A-1 Certificates.

Pursuant to the Corridor Contract, the terms of an ISDA Master Agreement were incorporated into the novation confirmation of the Corridor Contract, as if such an ISDA Master Agreement had been executed by the supplemental interest trustee and the Corridor Contract Counterparty on the date that the Corridor Contract was executed. The Corridor Contract is also subject to certain ISDA definitions, as published by the International Swaps and Derivatives Association, Inc.

Beginning with the Distribution Date in February 2007 to and including the Distribution Date in June 2011 (the “Corridor Contract Termination Date”), the amount payable by the Corridor Contract Counterparty under the Corridor Contract will equal the product of (i) the excess, if any, of (x) the lesser of (A) One-Month LIBOR (as determined by the Corridor Contract Counterparty) and (B) 9.03% over (y) 5.53%, (ii) the Corridor Contract Notional Balance for such Distribution Date and (iii) (x) the number of days in the related interest accrual period (calculated on the basis of a 360-day year consisting of twelve 30-day months divided by (y) 360.

On or prior to the Corridor Contract Termination Date, amounts (if any) received under the Corridor Contract by the supplemental interest trustee for the benefit of the supplemental interest trust will be used to pay the Yield Supplement Amount, as described below under “— *The Corridor Contract*”

*Reserve Fund.*” Amounts received on the Corridor Contract will not be available to make distributions on any class of certificates other than the Class 2-A-1 Certificates.

The “Corridor Contract Notional Balance” is as described in the following table:

<b>Month of Distribution Date</b>	<b>Corridor Contract Notional Balance (\$)</b>	<b>Month of Distribution Date</b>	<b>Corridor Contract Notional Balance (\$)</b>	<b>Month of Distribution Date</b>	<b>Corridor Contract Notional Balance (\$)</b>
February 2007 .....	65,000,000.00	September 2008.....	38,187,003.45	April 2010.....	12,888,711.27
March 2007 .....	64,604,420.58	October 2008.....	36,559,388.72	May 2010.....	11,853,242.29
April 2007 .....	64,055,853.81	November 2008.....	34,967,858.08	June 2010.....	10,844,020.64
May 2007 .....	63,355,543.73	December 2008 .....	33,411,812.32	July 2010 .....	9,860,610.09
June 2007 .....	62,505,168.87	January 2009 .....	31,890,662.19	August 2010 .....	8,902,581.64
July 2007.....	61,506,842.72	February 2009 .....	30,403,828.18	September 2010.....	7,969,513.38
August 2007.....	60,363,112.20	March 2009 .....	28,950,740.39	October 2010 .....	7,060,990.42
September 2007 ....	59,076,954.12	April 2009 .....	27,530,838.33	November 2010 .....	6,176,604.74
October 2007.....	57,651,769.61	May 2009 .....	26,143,570.83	December 2010.....	5,315,955.09
November 2007.....	56,091,376.42	June 2009 .....	24,788,395.81	January 2011.....	4,478,646.87
December 2007 .....	54,399,999.24	July 2009 .....	23,464,780.19	February 2011.....	3,664,292.02
January 2008 .....	52,582,257.85	August 2009 .....	22,172,199.72	March 2011.....	2,872,508.91
February 2008.....	50,643,153.31	September 2009.....	20,910,138.83	April 2011.....	2,102,922.26
March 2008.....	48,745,304.01	October 2009.....	19,678,090.49	May 2011.....	1,355,163.01
April 2008.....	46,888,025.16	November 2009.....	18,475,556.06	June 2011.....	628,868.20
May 2008 .....	45,070,643.32	December 2009 .....	17,302,045.17	July 2011	
June 2008 .....	43,292,496.19	January 2010 .....	16,157,075.59	and thereafter.....	0.00
July 2008.....	41,552,932.44	February 2010 .....	15,040,173.05		
August 2008.....	39,851,311.51	March 2010 .....	13,950,871.17		

The Corridor Contract is scheduled to remain in effect up to the Corridor Contract Termination Date. The Corridor Contract will be subject to early termination only in limited circumstances. These circumstances generally include certain insolvency or bankruptcy events in relation to the Corridor Contract Counterparty, the failure by the Corridor Contract Counterparty (within three business days after notice of the failure is received by the Corridor Contract Counterparty) to make a payment due under the Corridor Contract or the Corridor Contract becoming illegal or subject to certain kinds of taxation.

It will be an additional termination event under the Corridor Contract if the Corridor Contract Counterparty has failed to deliver any information, report, certification or accountants’ consent when and as required under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and Item 1115(b)(1) or (b)(2) of the Asset Backed Securities Regulation, 17 C.F.R. §§229.1100-229.1123 (“Regulation AB”) with respect to certain reporting obligations of the depositor with respect to the issuing entity, which continues unremedied for the time period provided in the Corridor Contract, and the Corridor Contract Counterparty fails to transfer the Corridor Contract, at its sole cost and expense, in whole, but not in part, to a counterparty that, (i) has agreed to deliver any information, report, certification or accountants’ consent when and as required under the Exchange Act and Regulation AB with respect to certain reporting obligations of the depositor and the issuing entity, (ii) satisfies any rating requirement set forth in the Corridor Contract, and (iii) is approved by the depositor (which approval will not be unreasonably withheld, provided the depositor is given notice) and any rating agency, if applicable.

If the Corridor Contract is terminated early, the Corridor Contract Counterparty may owe a termination payment, payable in a lump sum. Any termination payment received from the Corridor Contract Counterparty will be paid to the trustee on behalf of the supplemental interest trust and will be deposited into the Corridor Contract Reserve Fund and applied on future Distribution Dates to pay any Yield Supplement Amount on the Class 2-A-1 Certificates, until the Corridor Contract Termination Date.

However, if a termination occurs, there can be no assurance that a termination payment will be paid to the trustee.

The pooling and servicing agreement does not provide for the substitution of a replacement Corridor Contract in the event of a termination of the Corridor Contract or in any other circumstance.

The significance percentage for the Corridor Contract is less than 10%. The “significance percentage” for the Corridor Contract is the percentage that the significance estimate of the Corridor Contract represents of the Class Certificate Balance of the related class of certificates. The “significance estimate” of a Corridor Contract is determined based on a reasonable good-faith estimate of the maximum probable exposure of the Corridor Contract, made in substantially the same manner as that used in Countrywide Home Loans’ internal risk management process in respect of similar instruments.

BANA is a national banking association organized under the laws of the United States, with its principal executive offices located in Charlotte, North Carolina. BANA is a wholly owned indirect subsidiary of Bank of America Corporation, which is a bank holding company and a financial holding company, with its principal executive offices located in Charlotte, North Carolina. On January 1, 2006, Bank of America Corporation completed a merger with MBNA Corporation. BANA is engaged in a general consumer banking, commercial banking and trust business, offering a wide range of commercial, corporate, international, financial market, retail and fiduciary banking services. Moody’s currently rates BANA’s long-term debt as “Aa1” and its short-term debt as “P-1.” S&P currently rates the BANA’s long-term debt as “AA” and its short-term debt as “A-1+.” Fitch currently rates BANA’s long-term debt as “AA-” and its short-term debt as “F1+.” No assurances can be given that the current ratings of BANA’s instruments will be maintained.

The offered certificates do not represent an obligation of the Corridor Contract Counterparty. The holders of the offered certificates are not parties to or beneficiaries under the Corridor Contract and will not have any right to proceed directly against the Corridor Contract Counterparty in respect of its obligations under the Corridor Contract.

The Corridor Contract will be filed with the Securities and Exchange Commission as an Exhibit to a Current Report on Form 8-K after the closing date.

### **The Corridor Contract Reserve Fund**

The pooling and servicing agreement will require the supplemental interest trustee to establish an account (the “Corridor Contract Reserve Fund”), which will be held in trust in the supplemental interest trust, on behalf of the holders of the Class 2-A-1 Certificates. On the closing date, the depositor will cause \$1,000 to be deposited in the Corridor Contract Reserve Fund. The Corridor Contract Reserve Fund will not be an asset of any REMIC or the issuing entity.

On each Distribution Date, the supplemental interest trustee, will deposit into the Corridor Contract Reserve Fund any amounts received in respect of the Corridor Contract for the related interest accrual period. On each Distribution Date, such amounts received in respect of the Corridor Contract will be distributed to the Class 2-A-1 Certificates to the extent necessary to pay the current Yield Supplement Amount and any Yield Supplement Amount remaining unpaid from prior Distribution Dates. Any remaining amounts will remain on deposit in the Corridor Contract Reserve Fund. On the Distribution Date immediately following the earlier of (i) the Corridor Contract Termination Date and (ii) the date on which the Class Certificate Balance of the Class 2-A-1 Certificates has been reduced to zero, all amounts remaining in the Corridor Contract Reserve Fund will be distributed to Countrywide Securities Corporation.

For any Distribution Date, on or prior to the Corridor Contract Termination Date, the “Yield Supplement Amount” will be an amount equal to interest for the related interest accrual period on the Class Certificate Balance of the Class 2-A-1 Certificates immediately prior to such Distribution Date at a rate equal to the excess, if any, of (i) the lesser of LIBOR and 9.03% over (ii) 5.53%.

## Principal

*General.* All payments and other amounts received in respect of principal of the mortgage loans in a loan group will be allocated as described under “—*Priority of Distributions Among Certificates*” between the related Class PO Component, on the one hand, and the related senior certificates (other than the related notional amount certificates and the related Class PO Component) and the mezzanine certificates and the subordinated certificates, on the other hand, in each case based on the applicable PO Percentage and the applicable Non-PO Percentage, respectively, of those amounts.

The Non-PO Percentage with respect to any mortgage loan in any loan group with a net mortgage rate less than the percentage indicated below (each a “Discount mortgage loan”) will be determined as follows:

<b>Discount Mortgage Loans in Loan Group</b>	<b>Net Mortgage Rate for Mortgage Loan</b>	<b>Non-PO Percentage of Discount Mortgage Loan</b>
1	Less than 6.00%	Net mortgage rate <i>divided</i> by 6.00%
2	Less than 6.00%	Net mortgage rate <i>divided</i> by 6.00%

The Non-PO Percentage with respect to any mortgage loan in any loan group with a net mortgage rate equal to or greater than the percentage indicated below (each a “Non-Discount mortgage loan”) will be 100%.

<b>Non-Discount Mortgage Loans in Loan Group</b>	<b>Net Mortgage Rate for Mortgage Loan</b>
1	Greater than or equal to 6.00%
2	Greater than or equal to 6.00%

The PO Percentage with respect to any Discount mortgage loan in any loan group will be equal to the amount described below:

<b>Discount Mortgage Loans in Loan Group</b>	<b>PO Percentage of Discount Mortgage Loan</b>
1	(6.00% — net mortgage rate) divided by 6.00%
2	(6.00% — net mortgage rate) divided by 6.00%

The PO Percentage with respect to any Non-Discount mortgage loan in any loan group will be 0%.

*Non-PO Formula Principal Amount.* On each Distribution Date, the Non-PO Formula Principal Amount for each loan group will be distributed as principal with respect to the related classes of senior certificates (other than the related Class PO Component and the notional amount certificates) in an amount up to the Senior Principal Distribution Amount for such loan group and as principal of the mezzanine certificates and the subordinated certificates, as a portion of the Subordinated Principal Distribution Amount.

The “Non-PO Formula Principal Amount” for any Distribution Date and loan group will equal the sum of:

- (i) the sum of the applicable Non-PO Percentage of
  - (a) all monthly payments of principal due on each mortgage loan in that loan group on the related Due Date,
  - (b) the principal portion of the purchase price of each mortgage loan in that loan group that was repurchased by a seller or another person pursuant to the pooling and servicing agreement as of that Distribution Date,
  - (c) the Substitution Adjustment Amount in connection with any deleted mortgage loan in that loan group received with respect to that Distribution Date,
  - (d) any insurance proceeds or liquidation proceeds allocable to recoveries of principal of mortgage loans in that loan group that are not yet Liquidated Mortgage Loans received during the calendar month preceding the month of that Distribution Date,
  - (e) with respect to each mortgage loan in that loan group that became a Liquidated Mortgage Loan during the calendar month preceding the month of that Distribution Date, the amount of the liquidation proceeds allocable to principal received with respect to the mortgage loan, and
  - (f) all partial and full principal prepayments by borrowers on the mortgage loans in that loan group received during the related Prepayment Period; and
- (ii) (A) any Subsequent Recoveries on the mortgage loans in that loan group received during the calendar month preceding the month of the Distribution Date, or (B) with respect to Subsequent Recoveries attributable to a Discount mortgage loan in that loan group which incurred a Realized Loss after the Senior Credit Support Depletion Date, the Non-PO Percentage of any Subsequent Recoveries received during the calendar month preceding the month of such Distribution Date.

*Senior Principal Distribution Amount.* On each Distribution Date, the Non-PO Formula Principal Amount related to each loan group, in each case up to the amount of the related Senior Principal Distribution Amount for the Distribution Date, will be distributed as principal to the following classes of senior certificates:

#### **Distributions with respect to Loan Group 1**

Sequentially:

- (1) to the Class A-R Certificates, until its Class Certificate Balance is reduced to zero; and
- (2) concurrently, (A) 60.3073641468%, to the Class 1-A-1 Certificates, until its Class Certificate Balance is reduced to zero, and (B) 39.6926358532% in the following order:
  - (i) to the Class 1-A-5 Certificates, the Priority Amount, until its Class Certificate Balance is reduced to zero;
  - (ii) concurrently, to the Class 1-A-2, Class 1-A-3 and Class 1-A-6 Certificates, pro rata, until their respective Class Certificate Balances are reduced to zero;

(iii) to the Class 1-A-4 Certificates, until its Class Certificate Balance is reduced to zero; and

(iv) to the Class 1-A-5 Certificates, without regard to the Priority Amount, until its Class Certificate Balance is reduced to zero.

## **Distributions with respect to Loan Group 2**

Sequentially:

- (1) in an amount up to \$1,000 on each Distribution Date, to the Class 2-A-1 Certificates, until its Class Certificate Balance is reduced to zero;
- (2) in an amount up to \$130,000 on each Distribution Date, concurrently, to the Class 2-A-6 and Class 2-A-7 Certificates, pro rata, until their respective Class Certificate Balances are reduced to zero;
- (3) in an amount up to \$390,000 on each Distribution Date, sequentially, to the Class 2-A-3, Class 2-A-4 and Class 2-A-5 Certificates, in that order, until their respective Class Certificate Balances are reduced to zero;
- (4) sequentially, to the Class 2-A-1, Class 2-A-3, Class 2-A-4 and Class 2-A-5 Certificates, in that order, until their respective Class Certificate Balances are reduced to zero; and
- (5) concurrently, to the Class 2-A-6 and Class 2-A-7 Certificates, pro rata, until their respective Class Certificate Balances are reduced to zero.

Notwithstanding the foregoing, on each Distribution Date on and after the Senior Credit Support Depletion Date, the Non-PO Formula Principal Amount for loan group 1 and loan group 2 will be distributed, concurrently, as principal of the related classes of senior certificates (other than the notional amount certificates and the related Class PO Component), *pro rata*, in accordance with their respective Class Certificate Balances immediately before that Distribution Date.

Additionally, on each Distribution Date, each outstanding Class of Exchangeable Certificates will be entitled to receive a proportionate share of the Senior Principal Distribution Amount for the related loan group distributed to the related classes of Depositable Certificates that have been deposited.

The capitalized terms used herein shall have the following meanings:

“Priority Amount” for any Distribution Date will equal the sum of (i) the product of (A) the Scheduled Principal Distribution Amount for loan group 1, (B) the Shift Percentage and (C) the Priority Percentage and (ii) the product of (A) the Unscheduled Principal Distribution Amount for loan group 1, (B) the Shift Percentage and (C) the Priority Percentage.

“Priority Percentage” for any Distribution Date will equal the percentage equivalent of a fraction, the numerator of which is the Class Certificate Balance of the Class 1-A-5 Certificates immediately prior to such Distribution Date, and the denominator of which is the aggregate of the Non-PO Percentage of the Stated Principal Balance of each mortgage loan in loan group 1 as of the Due Date in the month preceding the month of such Distribution Date (after giving effect to principal prepayments received in the Prepayment Period related to that prior Due Date).

“Scheduled Principal Distribution Amount” for any Distribution Date and loan group will equal the Non-PO Percentage of all amounts described in subclauses (a) through (d) of clause (i) of the definition of Non-PO Formula Principal Amount for such Distribution Date and loan group.

“Unscheduled Principal Distribution Amount” for any Distribution Date and loan group will equal the sum of (i) with respect to each mortgage loan that became a Liquidated Mortgage Loan during the calendar month preceding the month of such Distribution Date, the applicable Non-PO Percentage of the liquidation proceeds allocable to principal received with respect to such mortgage loan and (ii) the applicable Non-PO Percentage of the amount described in subclause (f) of clause (i) of the definition of Non-PO Formula Principal Amount for such Distribution Date and (iii) any Subsequent Recoveries described in clause (ii) of the definition of Non-PO Formula Principal Amount for such Distribution Date and loan group.

“Shift Percentage” for any Distribution Date occurring during the five years beginning on the first Distribution Date will equal 0%. Thereafter, the Shift Percentage for any Distribution Date occurring on or after the fifth anniversary of the first Distribution Date will be as follows: for any Distribution Date in the first year thereafter, 30%; for any Distribution Date in the second year thereafter, 40%; for any Distribution Date in the third year thereafter, 60%; for any Distribution Date in the fourth year thereafter, 80%; and for any Distribution Date thereafter, 100%.

“Due Date” means, with respect to a mortgage loan, the day of the calendar month on which scheduled payments are due on that mortgage loan. With respect to any Distribution Date, the related Due Date is the first day of the calendar month in which that Distribution Date occurs.

“Prepayment Period” means, with respect to any Distribution Date and related Due Date, the period from the sixteenth day of the calendar month immediately preceding the month in which the Distribution Date occurs (or in the case of the first Distribution Date, from January 1, 2007) through the fifteenth day of the calendar month in which the Distribution Date occurs.

The “Non-PO Pool Balance” for any loan group and Due Date is equal to the excess, if any, of (x) the aggregate Stated Principal Balance of all mortgage loans in the related loan group over (y) the sum of the PO Percentage of the Stated Principal Balance of each Discount mortgage loan in that loan group.

The “Senior Principal Distribution Amount” for any Distribution Date and loan group will equal the sum of

- the related Senior Percentage of the applicable Non-PO Percentage of all amounts described in subclauses (a) through (d) of clause (i) of the definition of Non-PO Formula Principal Amount for that loan group and Distribution Date,
- for each mortgage loan in that loan group that became a Liquidated Mortgage Loan during the calendar month preceding the month of that Distribution Date, the lesser of
  - the related Senior Percentage of the applicable Non-PO Percentage of the Stated Principal Balance of the mortgage loan, and
  - the related Senior Prepayment Percentage of the applicable Non-PO Percentage of the amount of the liquidation proceeds allocable to principal received on the mortgage loan, and



- the sum of
  - the related Senior Prepayment Percentage of the applicable Non-PO Percentage of amounts described in subclause (f) of clause (i) of the definition of Non-PO Formula Principal Amount for that loan group and Distribution Date, and
  - the related Senior Prepayment Percentage of any Subsequent Recoveries described in clause (ii) of the definition of Non-PO Formula Principal Amount for that Distribution Date.

provided, however, that on any Distribution Date after a Senior Termination Date, the Senior Principal Distribution Amount for the remaining senior certificates will be calculated pursuant to the above formula based on all the mortgage loans in the mortgage pool, as opposed to the mortgage loans in the related loan group.

If on any Distribution Date the allocation to the class or classes of senior certificates (other than the related Class PO Component) then entitled to distributions of principal of full and partial principal prepayments and other amounts in the percentage required above would reduce the outstanding Class Certificate Balance of the class or classes below zero, the distribution to the class or classes of certificates of the related Senior Percentage and Senior Prepayment Percentage of those amounts for the Distribution Date will be limited to the percentage necessary to reduce the related Class Certificate Balance(s) to zero.

“Stated Principal Balance” means for any mortgage loan and Due Date, the unpaid principal balance of the mortgage loan as of that Due Date, as specified in its amortization schedule at that time (before any adjustment to the amortization schedule for any moratorium or similar waiver or grace period), after giving effect to:

- the payment of principal due on the Due Date and irrespective of any delinquency in payment by the related borrower;
- liquidation proceeds received through the end of the prior calendar month and allocable to principal;
- prepayments of principal received through the last day of the related Prepayment Period; and
- any Deficient Valuation previously applied to reduce the unpaid principal balance of the mortgage loan.

“Deficient Valuation” means for any mortgage loan, a valuation by a court of competent jurisdiction of the mortgaged property in an amount less than the then-outstanding indebtedness under such mortgage loan, or any reduction in the amount of principal to be paid in connection with any scheduled payment that results in a permanent forgiveness of principal, which valuation or reduction results from an order of such court which is final and non-appealable in a proceeding under the federal bankruptcy code.

The “pool principal balance” equals the aggregate of the Stated Principal Balances of the mortgage loans.

The “loan group principal balance” with respect to any loan group equals the aggregate of the Stated Principal Balances of the mortgage loans in that loan group.

The “Senior Percentage” of a senior certificate group and Distribution Date is the percentage equivalent of a fraction, not to exceed 100%, the numerator of which is the aggregate of the Class Certificate Balances of each class of senior certificates of such senior certificate group (other than the related Class PO Component) and the notional amount certificates) immediately before the Distribution Date and the denominator of which is the aggregate of the applicable Non-PO Percentage of the Stated Principal Balance of each mortgage loan in the related loan group as of the Due Date in the month preceding the month of that Distribution Date (after giving effect to prepayments received in the Prepayment Period related to that preceding Due Date); provided, however, that on any Distribution Date after a Senior Termination Date, the Senior Percentage of the remaining senior certificate group is the percentage equivalent of a fraction, the numerator of which is the aggregate of the Class Certificate Balances of each class of senior certificates (other than the related Class PO Component) and the notional amount certificates) of such remaining senior certificate group immediately prior to such date and the denominator of which is the aggregate of the Class Certificate Balances of all classes of certificates (other than the Class PO Certificates and the notional amount certificates) immediately prior to such Distribution Date.

For any Distribution Date on and prior to a Senior Termination Date, the “Subordinated Percentage” for the portion of the mezzanine certificates and subordinated certificates relating to a loan group will be calculated as the difference between 100% and the Senior Percentage of the senior certificate group relating to that loan group on such Distribution Date. After a Senior Termination Date, the Subordinated Percentage will represent the entire interest of the mezzanine certificates and the subordinated certificates in the mortgage pool and will be calculated as the difference between 100% and the Senior Percentage for such Distribution Date.

The “Senior Prepayment Percentage” of a senior certificate group for any Distribution Date occurring during the five years beginning on the first Distribution Date will equal 100%. Thereafter, each Senior Prepayment Percentage will be subject to gradual reduction as described in the following paragraphs. This disproportionate allocation of unscheduled payments of principal will have the effect of accelerating the amortization of the senior certificates (other than the related Class PO Component and the notional amount certificates) which receive these unscheduled payments of principal while, in the absence of Realized Losses, increasing the interest in the mortgage loans of the applicable loan group evidenced by the mezzanine certificates and the subordinated certificates. Increasing the respective interest of the subordinated certificates relative to that of the senior certificates is intended to preserve the availability of the subordination provided by the mezzanine certificates and the subordinated certificates.

The “Subordinated Prepayment Percentage” for a loan group as of any Distribution Date will be calculated as the difference between 100% and the related Senior Prepayment Percentage.

The Senior Prepayment Percentage of a senior certificate group for any Distribution Date occurring on or after the fifth anniversary of the first Distribution Date will be as follows:

- for any Distribution Date in the first year thereafter, the related Senior Percentage plus 70% of the related Subordinated Percentage for the Distribution Date;
- for any Distribution Date in the second year thereafter, the related Senior Percentage plus 60% of the related Subordinated Percentage for the Distribution Date;
- for any Distribution Date in the third year thereafter, the related Senior Percentage plus 40% of the related Subordinated Percentage for the Distribution Date;

- for any Distribution Date in the fourth year thereafter, the related Senior Percentage plus 20% of the related Subordinated Percentage for the Distribution Date; and
- for any Distribution Date thereafter, the related Senior Percentage for the Distribution Date;

provided, however, that if on any Distribution Date the Senior Percentage of a senior certificate group exceeds the initial Senior Percentage of such senior certificate group, then the Senior Prepayment Percentage for each senior certificate group for that Distribution Date will equal 100%.

Notwithstanding the foregoing, no decrease in the Senior Prepayment Percentage for any loan group will occur unless both of the step down conditions listed below are satisfied with respect to each loan group:

- the outstanding principal balance of all mortgage loans in a loan group delinquent 60 days or more (including mortgage loans in foreclosure, real estate owned by the issuing entity and mortgage loans the mortgagors of which are in bankruptcy) (averaged over the preceding six month period), as a percentage of (a) if such date is on or prior to a Senior Termination Date, the Subordinated Percentage for such loan group of the aggregate of the applicable Non-PO Percentage of the aggregate Stated Principal Balances of the mortgage loans in that loan group or (b) if such date is after a Senior Termination Date, the aggregate Class Certificate Balance of the mezzanine certificates and the subordinated certificates immediately prior to the Distribution Date, is less than 50%, and
- cumulative Realized Losses on the mortgage loans in each loan group do not exceed
  - commencing with the Distribution Date on the fifth anniversary of the first Distribution Date, 30% of (i) if such date is on or prior to a Senior Termination Date, the Subordinated Percentage for that loan group of the aggregate of the applicable Non-PO Percentage of the Stated Principal Balances of the mortgage loans in that loan group, in each case as of the cut-off date or (ii) if such date is after a Senior Termination Date, the aggregate Class Certificate Balance of the mezzanine certificates and the subordinated certificates as of the closing date (in either case, the “original subordinate principal balance”),
  - commencing with the Distribution Date on the sixth anniversary of the first Distribution Date, 35% of the original subordinate principal balance,
  - commencing with the Distribution Date on the seventh anniversary of the first Distribution Date, 40% of the original subordinate principal balance,
  - commencing with the Distribution Date on the eighth anniversary of the first Distribution Date, 45% of the original subordinate principal balance, and
  - commencing with the Distribution Date on the ninth anniversary of the first Distribution Date, 50% of the original subordinate principal balance.

The “Senior Termination Date” for a senior certificate group is the date on which the aggregate Class Certificate Balance of the senior certificates of such senior certificate group (other than the related Class PO Component) is reduced to zero.

*Cross-Collateralization due to Disproportionate Realized Losses in one Loan Group*

If on any Distribution Date the aggregate Class Certificate Balance of the senior certificates of a senior certificate group, other than the related Class PO Component and related notional amount certificates, after giving effect to distributions to be made on that Distribution Date, is greater than the Non-PO Pool Balance for that loan group (any such group, an “Undercollateralized Group”), all amounts otherwise distributable as principal to the mezzanine certificates and the subordinated certificates (or, following the Senior Credit Support Depletion Date, the amounts described in the following sentence) will be distributed as principal to the senior certificates of that Undercollateralized Group, other than the related Class PO Component and related notional amount certificates, until the aggregate Class Certificate Balance of the senior certificates, other than the related Class PO Component and related notional amount certificates, of the Undercollateralized Group equals the Non-PO Pool Balance for that loan group (such distribution, an “Undercollateralization Distribution”). If the senior certificates, other than the related Class PO Component and related notional amount certificates, of a senior certificate group constitute an Undercollateralized Group on any Distribution Date following the Senior Credit Support Depletion Date, Undercollateralization Distributions will be made from the excess of the Available Funds for the other loan group remaining after all required amounts for that Distribution Date have been distributed to the senior certificates, other than the related Class PO Component and related notional amount certificates, of that senior certificate group.

Accordingly, the mezzanine certificates and the subordinated certificates will not receive distributions of principal until the Undercollateralized Group is no longer undercollateralized.

All distributions described in this “*Cross-Collateralization*” section will be made in accordance with the priorities set forth under “Distributions on the Certificates — Principal — Senior Principal Distribution Amount” above and “— *Subordinated Principal Distribution Amount*” below.

*Subordinated Principal Distribution Amount.* On each Distribution Date and with respect to both loan groups, to the extent of Available Funds therefor, the Non-PO Formula Principal Amount for each loan group, up to the amount of the Subordinated Principal Distribution Amount for each loan group for the Distribution Date, will be distributed as principal of the mezzanine certificates and the subordinated certificates. Except as provided in the next paragraph, each class of the mezzanine certificates and subordinated certificates will be entitled to receive its *pro rata* share of the Subordinated Principal Distribution Amount from both loan groups (based on its respective Class Certificate Balance), in each case to the extent of the amount available from Available Funds from both loan groups for distribution of principal. Distributions of principal of the mezzanine certificates and the subordinated certificates will be made sequentially first to the mezzanine certificates and then to the classes of subordinated certificates in the order of their distribution priorities, beginning with the Class M-1 Certificates, until their respective Class Certificate Balances are reduced to zero.

With respect to the mezzanine certificates or each class of subordinated certificates (other than the mezzanine certificates or the class of subordinated certificates then outstanding with the highest priority of distribution), if on any Distribution Date the Applicable Credit Support Percentage is less than the Original Applicable Credit Support Percentage, no distribution of partial principal prepayments and principal prepayments in full from any loan group will be made to any of those classes (the “Restricted Classes”). The amount of partial principal prepayments and principal prepayments in full otherwise distributable to the Restricted Classes will be allocated among the mezzanine certificates and the remaining classes of subordinated certificates, *pro rata*, based upon their respective Class Certificate Balances and distributed in the sequential order described above.

For any Distribution Date and the mezzanine certificates or any class of subordinated certificates, the “Applicable Credit Support Percentage” is equal to the sum of the related Class Subordination Percentages of such class and all classes of subordinated certificates which have lower distribution priorities than such class.

For any Distribution Date and the mezzanine certificates or any class of subordinated certificates, the “Original Applicable Credit Support Percentage” is equal to the Applicable Credit Support Percentage for such class on the date of issuance of the certificates.

The “Class Subordination Percentage” with respect to any Distribution Date and the mezzanine certificates and a class of subordinated certificates, will equal the fraction (expressed as a percentage) the numerator of which is the Class Certificate Balance of the mezzanine certificates or that class of subordinated certificates immediately before the Distribution Date and the denominator of which is the aggregate Class Certificate Balance of all classes of certificates immediately before the Distribution Date.

On the date of issuance of the certificates, the characteristics of the certificates listed below are expected to be as follows:

	Beneficial Interest in Issuing Entity	Initial Credit Enhancement Level	Original Applicable Credit Support Percentage
Senior Certificates .....	93.15%	6.85%	N/A
Class M-A.....	0.85%	6.00%	6.85%
Class M-1.....	2.15%	3.85%	6.00%
Class M-2.....	0.50%	3.35%	3.85%
Class M-3.....	0.45%	2.90%	3.35%
Class M-4.....	0.35%	2.55%	2.90%
Class M-5.....	0.65%	1.90%	2.55%
Class B-1 .....	0.25%	1.65%	1.90%
Class B-2 .....	0.40%	1.25%	1.65%
Class B-3 .....	0.50%	0.75%	1.25%
Class B-4 .....	0.40%	0.35%	0.75%
Class B-5 .....	0.35%	0.00%	0.35%

For purposes of calculating the Applicable Credit Support Percentages of the mezzanine certificates and the subordinated certificates, the Class M-A Certificates will be considered to have a lower numerical class designation and a higher distribution priority than each class of subordinated certificates and the Class M Certificates will be considered to have a lower numerical class designation and a higher distribution priority than each class of Class B Certificates . Within the Class M Certificates and the Class B Certificates, the distribution priorities are in numerical order.

The “Subordinated Principal Distribution Amount” for each loan group and any Distribution Date will equal

- *the sum of*
  - the related Subordinated Percentage for that loan group of the applicable Non-PO Percentage of all amounts described in subclauses (a) through (d) of clause (i) of the definition of Non-PO Formula Principal Amount for that loan group and that Distribution Date,

- for each mortgage loan in that loan group that became a Liquidated Mortgage Loan during the calendar month preceding the month of that Distribution Date, the applicable Non-PO Percentage of the remaining liquidation proceeds allocable to principal received on the mortgage loan, after application of the amounts pursuant to the second bulleted item of the definition of Senior Principal Distribution Amount up to the related Subordinated Percentage of the applicable Non-PO Percentage of the Stated Principal Balance of the mortgage loan,
- the related Subordinated Prepayment Percentage for that loan group of the applicable Non-PO Percentage of the amounts described in subclause (f) of clause (i) of the definition of Non-PO Formula Principal Amount for that Distribution Date, and
- the related Subordinated Prepayment Percentage of any Subsequent Recoveries described in clause (ii) of the definition of Non-PO Formula Principal Amount for that loan group and Distribution Date,
- *reduced by* the amount of any payments in respect of related Class PO Deferred Amounts on the related Distribution Date.

On any Distribution Date after a Senior Termination Date, the Subordinated Principal Distribution Amount will not be calculated by loan group but will equal the amount calculated pursuant to the formula set forth above based on the applicable Subordinated Percentage or Subordinated Prepayment Percentage, as applicable, for the mezzanine certificates and the subordinated certificates for such Distribution Date with respect to all of the mortgage loans in the mortgage pool as opposed to the mortgage loans in the related loan group.

*Class PO Principal Distribution Amount.* On each Distribution Date, distributions of principal of each Class PO Component will be made in an amount equal to the lesser of (x) the related PO Formula Principal Amount for that Distribution Date and (y) the product of

- Available Funds for that loan group remaining after distribution of interest on the senior certificates in the related senior certificate group, and
- a fraction, the numerator of which is the related PO Formula Principal Amount and the denominator of which is the sum of that PO Formula Principal Amount and the related Senior Principal Distribution Amount.

If the Class PO Principal Distribution Amount on a Distribution Date is calculated as provided in clause (y) above, principal distributions to the related senior certificate group (other than the related notional amount certificates and the related Class PO Component) will be in an amount equal to the product of Available Funds for that loan group remaining after distribution of interest on the related senior certificate group and a fraction, the numerator of which is the related Senior Principal Distribution Amount and the denominator of which is the sum of that Senior Principal Distribution Amount and the related PO Formula Principal Amount.

The “PO Formula Principal Amount” for any Distribution Date and each Class PO Component will equal the sum of

- the sum of the applicable PO Percentage of:

- all monthly payments of principal due on each mortgage loan in the related loan group on the related Due Date,
- the principal portion of the purchase price of each mortgage loan in that loan group that was repurchased by the related seller or another person pursuant to the pooling and servicing agreement as of that Distribution Date,
- the Substitution Adjustment Amount in connection with any deleted mortgage loan in that loan group received for that Distribution Date,
- any insurance proceeds or liquidation proceeds allocable to recoveries of principal of mortgage loans in that loan group that are not yet Liquidated Mortgage Loans received during the calendar month preceding the month of that Distribution Date,
- for each mortgage loan in that loan group that became a Liquidated Mortgage Loan during the calendar month preceding the month of that Distribution Date, the amount of liquidation proceeds allocable to principal received on the mortgage loan,
- all partial and full principal prepayments by borrowers on the mortgage loans in that loan group received during the related Prepayment Period; and
- with respect to Subsequent Recoveries attributable to a Discount mortgage loan in the related loan group which incurred a Realized Loss on any mortgage loan after the Senior Credit Support Depletion Date, the PO Percentage of any Subsequent Recoveries received during the calendar month preceding the month of such Distribution Date.

*Residual Certificates.* The Class A-R Certificates will remain outstanding for so long as the issuing entity shall exist, whether or not the Class A-R Certificates are receiving current distributions of principal or interest. In addition to distributions of interest and principal as described above, on each Distribution Date, the holders of the Class A-R Certificates will be entitled to receive certain amounts as described in the pooling and servicing agreement and any Available Funds for any loan group remaining after payment of interest on and principal of the senior certificates and Class PO Deferred Amounts on the related Class PO Component and interest on and principal of the mezzanine certificates and the subordinated certificates, as described above. It is not anticipated that there will be any significant amounts remaining for that distribution.

#### **Allocation of Losses**

On each Distribution Date, the applicable PO Percentage of any Realized Loss on a Discount mortgage loan in a loan group will be allocated to the related Class PO Component until the component balance thereof is reduced to zero. The amount of any Realized Loss allocated to the related Class PO Component, on or before the Senior Credit Support Depletion Date will be treated as a Class PO Deferred Amount. To the extent funds are available on the Distribution Date or on any future Distribution Date from amounts that would otherwise be allocable from Available Funds of both the loan groups for the Subordinated Principal Distribution Amount, Class PO Deferred Amounts will be paid on the related Class PO Component before distributions of principal on the mezzanine and subordinated certificates. Any distribution of Available Funds in a loan group in respect of unpaid Class PO Deferred Amounts will not further reduce the component balance of the related Class PO Component. The Class PO Deferred Amounts will not bear interest. The Class Certificate Balance of the class of subordinated certificates then outstanding with the lowest distribution priority, or the Class Certificate Balance of the mezzanine certificates if no class of subordinated certificates is outstanding, will be reduced by the amount of any

payments in respect of Class PO Deferred Amounts. After the Senior Credit Support Depletion Date, no new Class PO Deferred Amounts will be created.

For purposes of allocating losses to the mezzanine certificates and the subordinated certificates, the Class M-A Certificates and the Class M Certificates will be considered to have a lower numerical class designation and a higher distribution priority than the Class B Certificates and the Class M-A Certificates will be considered to have a lower numerical class designation and a higher distribution priority than each class of Class M Certificates. Within the Class M Certificates and the Class B Certificates, the distribution priorities are in numerical order.

The Senior Credit Support Depletion Date is the date on which the Class Certificate Balance of each class of subordinated certificates has been reduced to zero.

On each Distribution Date, the applicable Non-PO Percentage of any Realized Loss on the mortgage loans in a loan group will be allocated:

- first, to the subordinated certificates, in the reverse order of their priority of distribution (beginning with the class of subordinated certificates then outstanding with the lowest distribution priority), in each case until the Class Certificate Balance of the respective class of certificates has been reduced to zero,
- second, to the Class M-A Certificates, until its Class Certificate Balance has been reduced to zero; and
- third, to the senior certificates of the related senior certificate group (other than the related Class PO Component and the notional amount certificates) *pro rata*, based upon their respective Class Certificate Balances, except that (i) the Non-PO Percentage of any Realized Losses on the mortgage loans in loan group 1 that would otherwise be allocated to the Class 1-A-2 Certificates will instead be allocated to the Class 1-A-6 Certificates, until its Class Certificate Balance is reduced to zero; and (ii) the Non-PO Percentage of any Realized Losses on the mortgage loans in loan group 2 that would otherwise be allocated to the Class 2-A-6 Certificates will instead be allocated to the Class 2-A-7 Certificates, until its Class Certificate Balance is reduced to zero.

On any Distribution Date following the Senior Credit Support Depletion Date, the Class Certificate Balance of each then outstanding class of Exchangeable Certificates will also be reduced by a proportionate share of the amount of Realized Losses allocated on that Distribution Date to the related classes of Depositable Certificates that have been deposited and will be increased by a proportionate share of the amount of Subsequent Recoveries allocated on that Distribution Date to the related classes of Depositable Certificates that have been deposited.

Because principal distributions are paid to some classes of certificates (other than the Class PO Certificates and the notional amount certificates) before other classes of certificates, holders of the certificates that are entitled to receive principal later bear a greater risk of being allocated Realized Losses on the mortgage loans than holders of classes that are entitled to receive principal earlier.

In general, a “Realized Loss” means, for a Liquidated Mortgage Loan, the amount by which the remaining unpaid principal balance of the mortgage loan exceeds the amount of liquidation proceeds applied to the principal balance of the related mortgage loan. See “*Credit Enhancement — Subordination*” in this prospectus supplement and in the prospectus.



A “Liquidated Mortgage Loan” is a defaulted mortgage loan as to which the master servicer has determined that all recoverable liquidation and insurance proceeds have been received.

“Subsequent Recoveries” are unexpected recoveries, net of reimbursable expenses, with respect to a Liquidated Mortgage Loan that resulted in a Realized Loss in a month prior to the month of receipt of such recoveries.

### Reports to Certificateholders

The trustee may, at its option, make the information described in the prospectus under “*Description of the Securities – Reports to Securityholders*” available to certificateholders on the trustee’s website (assistance in using the website service may be obtained by calling the trustee’s customer service desk at (800) 254-2826). Parties that are unable to use the above distribution option are entitled to have a copy mailed to them via electronic mail by notifying the trustee at its corporate trust office.

Any monthly statement prepared by the trustee is based on information provided by the master servicer. The trustee is not responsible for recomputing, recalculating or verifying the information provided to it by the master servicer and will be permitted to conclusively rely on any information provided to it by the master servicer. The report to certificateholders may include additional or other information of a similar nature to that specified in the prospectus.

### Structuring Assumptions

Unless otherwise specified, the information set forth in the tables under “*Yield, Prepayment and Maturity Considerations*” in this prospectus supplement has been prepared on the basis of the following assumed characteristics of the mortgage loans and the following additional assumptions, which combined are the structuring assumptions:

- loan group 1 consists of four mortgage loans with the following characteristics:

Principal Balance (\$)	Mortgage Rate (%)	Net Mortgage Rate (%)	Original Term to Maturity (In Months)	Remaining Term to Maturity (In Months)	Remaining Interest-Only Term (In Months)
16,074,070.04	6.0535446133	5.8445446133	360	360	N/A
15,054,311.00	6.0378583500	5.8077527677	360	360	120
162,086,001.65	6.6359825184	6.4241897418	360	359	N/A
141,934,856.68	6.6593107364	6.4486020106	360	360	120

- loan group 2 consists of four mortgage loans with the following characteristics:

Principal Balance (\$)	Mortgage Rate (%)	Net Mortgage Rate (%)	Original Term to Maturity (In Months)	Remaining Term to Maturity (In Months)	Remaining Interest-Only Term (In Months)
17,396,520.64	6.0214495650	5.7989681336	360	360	N/A
6,477,420.00	6.0612448706	5.8429712555	360	360	120
70,117,855.08	6.7070446318	6.4959353260	360	360	N/A
70,821,225.00	6.6611180564	6.4521180564	360	360	120

- the mortgage loans prepay at the specified constant percentages of the Prepayment Assumption,
- no defaults in the payment by mortgagors of principal of and interest on the mortgage loans are experienced,
- scheduled payments on the mortgage loans in each loan group are received on the first day of each month commencing in the calendar month following the closing date and are computed before giving effect to prepayments received on the last day of the prior month,
- prepayments are allocated as described in this prospectus supplement without giving effect to loss and delinquency tests,
- there are no Net Interest Shortfalls and prepayments represent prepayments in full of individual mortgage loans and are received on the last day of each month, commencing in the calendar month of the closing date,
- the scheduled monthly payment for each mortgage loan (except for the interest-only mortgage loans, during their interest-only periods), has been calculated such that each mortgage loan will amortize in amounts sufficient to repay the current balance of the mortgage loan by its respective remaining term to maturity,
- any mortgage loan with a remaining interest-only term greater than zero does not amortize during the remaining interest-only term. At the end of the remaining interest-only term, any such mortgage loan will amortize in amounts sufficient to repay the current balance of any mortgage loan over the remaining term to maturity calculated at the expiration of the remaining interest-only term,
- the net mortgage rate is equal to the mortgage rate minus the sum of the master servicing fee and the trustee fee, and where applicable, amounts in respect of lender paid primary mortgage insurance on a mortgage loan (expressed as a per annum percentage of its Stated Principal Balance),
- the remaining term to maturity for the mortgage loans (other than the interest-only mortgage loans) is calculated based upon the current principal balance of the outstanding mortgage loans,
- the initial Class Certificate Balance or initial notional amount, as applicable, of each class of certificates is as set forth on the cover page hereof or as described under "*Description of the Certificates*" in this prospectus supplement,
- interest accrues on each interest-bearing class of certificates at the applicable interest rate set forth on the cover page hereof or as described in this prospectus supplement,
- distributions in respect of the certificates are received in cash on the 25<sup>th</sup> day of each month commencing in the calendar month following the closing date,
- the closing date of the sale of the certificates is January 30, 2007,
- no seller is required to repurchase or substitute for any mortgage loan,

- the master servicer does not exercise the option to repurchase the mortgage loans described under “— *Optional Purchase of Defaulted Loans*” and “— *Optional Termination*,” and
- no class of certificates becomes a Restricted Class.

Prepayments of the mortgage loans commonly are measured relative to a prepayment standard or model. The model used in this prospectus supplement assumes a constant prepayment rate (“CPR”) or an assumed rate of prepayment each month of the then outstanding principal balance of a pool of new mortgage loans.

A 100% prepayment assumption with respect to loan group 1 (the “Loan Group 1 Prepayment Assumption”) assumes a CPR of 6% per annum of the then outstanding principal balance of the applicable mortgage loans in the first month of the life of the mortgage loans and an additional approximately 1.0909090909% (precisely 12%/11) per annum in the second through eleventh months. Beginning in the twelfth month and in each month thereafter during the life of the mortgage loans, a 100% Loan Group 1 Prepayment Assumption assumes a CPR of 18% per annum each month. A 100% prepayment assumption with respect to loan group 2 (the “Loan Group 2 Prepayment Assumption”) assumes a CPR of 8% per annum of the then outstanding principal balance of the applicable mortgage loans in the first month of the life of the mortgage loans and an additional approximately 1.4545454545% (precisely 16%/11) per annum in the second through eleventh months. Beginning in the twelfth month and in each month thereafter during the life of the mortgage loans, a 100% Loan Group 2 Prepayment Assumption assumes a CPR of 24% per annum each month. Each of the Loan Group 1 Prepayment Assumption and the Loan Group 2 Prepayment Assumption is referred to as the “Prepayment Assumption.”

There is no assurance that prepayments in each loan group will occur at any of the Loan Group 1 Prepayment Assumption rates or the Loan Group 2 Prepayment Assumption rates, as applicable, or at any other constant rate.

While it is assumed that each of the mortgage loans prepays at the specified constant percentages of the Prepayment Assumption, this is not likely to be the case. Moreover, discrepancies may exist between the characteristics of the actual mortgage loans which will be delivered to the trustee and characteristics of the mortgage loans used in preparing the tables.

### **Optional Purchase of Defaulted Loans**

The master servicer may, at its option, but subject to the conditions set forth in the pooling and servicing agreement, purchase from the issuing entity any mortgage loan which is delinquent in payment by 151 days or more. Any purchase shall be at a price equal to 100% of the Stated Principal Balance of the mortgage loan plus accrued interest on it at the applicable mortgage rate from the date through which interest was last paid by the related mortgagor or advanced (and not reimbursed) to the first day of the month in which the amount is to be distributed.

### **Optional Termination**

The master servicer will have the right to purchase all remaining mortgage loans and mortgaged property that the master servicer or its designee has acquired through foreclosure or deed-in-lieu of foreclosure in connection with a defaulted mortgage loan (“REO Property”) in the issuing entity and thereby effect early retirement of all the certificates, on any Distribution Date on or after the first Distribution Date on which the aggregate Stated Principal Balance of the mortgage loans and REO Properties in the issuing entity is less than or equal to 10% of the aggregate Stated Principal Balance of the mortgage loans as of the cut-off date. The master servicer is an affiliate of the sellers and the depositor.

In the event the option is exercised by the master servicer, the purchase will be made at a price equal to the sum of:

- 100% of the Stated Principal Balance of each mortgage loan in the issuing entity (other than in respect of REO Property) plus accrued interest thereon at the applicable net mortgage rate, and
- the appraised value of any REO Property (up to the Stated Principal Balance of the related mortgage loan) in the issuing entity.

Notice of any termination, specifying the Distribution Date on which certificateholders may surrender their certificates for payment of the final distribution and cancellation, will be given promptly by the trustee by letter to related certificateholders mailed not earlier than the 10<sup>th</sup> day and no later than the 15<sup>th</sup> day of the month immediately preceding the month of the final distribution. The notice will specify (a) the Distribution Date upon which final distribution on the certificates will be made upon presentation and surrender of the certificates at the office therein designated, (b) the amount of the final distribution, (c) the location of the office or agency at which the presentation and surrender must be made, and (d) that the Record Date otherwise applicable to the Distribution Date is not applicable, distributions being made only upon presentation and surrender of the certificates at the office therein specified.

In the event a notice of termination is given, the master servicer will cause all funds in the Certificate Account to be remitted to the trustee for deposit in the Distribution Account on the Business Day prior to the applicable Distribution Date in an amount equal to the final distribution in respect of the certificates. At or prior to the time of making the final payment on the certificates, the master servicer as agent of the trustee will sell all of the assets of the issuing entity to the master servicer for cash. Proceeds from a purchase will be distributed to the certificateholders in the priority described above under “— *Distributions*” and will reflect the current Class Certificate Balance and other entitlements of each class at the time of liquidation.

The proceeds from any sale in connection the exercise of the option may not be sufficient to distribute the full amount to which each class of certificates is entitled if the purchase price is based in part on the appraised value of any REO Property and that appraised value is less than the Stated Principal Balance of the related mortgage loan. Any purchase of the mortgage loans and REO Properties will result in an early retirement of the certificates. At the time of the making of the final payment on the certificates, the trustee shall distribute or credit, or cause to be distributed or credited, to the holder of the Class A-R Certificates all cash on hand related to the Class A-R Certificates, and the issuing entity will terminate at that time. Once the issuing entity has been terminated, certificateholders will not be entitled to receive any amounts that are recovered subsequent to the termination.

### **Events of Default; Remedies**

In addition to the Events of Default described in the prospectus, an Event of Default will consist of the failure by the master servicer to reimburse, in full, the trustee not later than 6:00 p.m., New York City time, on the Business Day following the related Distribution Date for any advance made by the trustee together with accrued and unpaid interest. If the master servicer fails to make the required reimbursement, so long as the Event of Default has not been remedied, the trustee, but not the certificateholders, may terminate the master servicer, and the trustee may do so without the consent of the certificateholders. Additionally, if the master servicer fails to provide certain information or perform certain duties related to the depositor’s reporting obligations under the Exchange Act, with respect to the issuing entity, the depositor, may, without the consent of any of the certificateholders terminate the master servicer.

### **Certain Matters Regarding the Master Servicer, the Depositor and the Sellers**

The prospectus describes the indemnification to which the master servicer and the depositor (and their respective directors, officers, employees and agents) are entitled and also describes the limitations on any liability of the master servicer and the depositor (and their respective directors, officers, employees and agents) to the issuing entity. See *“The Agreements — Certain Matters Regarding the Master Servicer and the Depositor”* in the prospectus. The pooling and servicing agreement provides that these same provisions regarding indemnification and exculpation apply to each seller.

### **The Trustee**

The Bank of New York will be the trustee under the pooling and servicing agreement. The Bank of New York has been, and currently is, serving as indenture trustee and trustee for numerous securitization transactions and programs involving pools of residential mortgages. The depositor, Countrywide Home Loans and any affiliated seller may maintain other banking relationships in the ordinary course of business with the trustee. The offered certificates may be surrendered at the corporate trust office of the trustee located at 101 Barclay Street, 4W, New York, New York 10286, Attention: Corporate Trust Administration or another address that the trustee may designate from time to time.

The trustee will be liable for its own negligent action, its own negligent failure to act or its own willful misconduct. However, the trustee will not be liable, individually or as trustee,

- for an error of judgment made in good faith by a responsible officer of the trustee, unless the trustee was negligent in ascertaining the pertinent facts,
- with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the holders of certificates evidencing not less than 25% of the Voting Rights of the certificates relating to the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred upon the trustee under the pooling and servicing agreement,
- for any action taken, suffered or omitted by it under the pooling and servicing agreement in good faith and in accordance with an opinion of counsel or believed by the trustee to be authorized or within the discretion or rights or powers that it has under the pooling and servicing agreement, or
- for any loss on any investment of funds pursuant to the pooling and servicing agreement (other than as issuer of the investment security).

The trustee is also entitled to rely without further investigation upon any resolution, officer's certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

The trustee and any successor trustee will, at all times, be a corporation or association organized and doing business under the laws of a state or the United States of America, authorized under the laws of the United States of America to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, subject to supervision or examination by a federal or state authority and with a credit rating that would not cause any of the Rating Agencies to reduce or withdraw their respective then-current ratings of any class of certificates (or having provided security from time to time as is sufficient to avoid

the reduction). If the trustee no longer meets the foregoing requirements, the trustee has agreed to resign immediately.

The trustee may at any time resign by giving written notice of resignation to the depositor, the master servicer, each Rating Agency and the certificateholders, not less than 60 days before the specified resignation date. The resignation shall not be effective until a successor trustee has been appointed. If a successor trustee has not been appointed within 30 days after the trustee gives notice of resignation, the resigning trustee may petition any court of competent jurisdiction for the appointment of a successor trustee.

The depositor or the master servicer may remove the trustee and appoint a successor trustee if:

- the trustee ceases to meet the eligibility requirements described above and fails to resign after written request to do so is delivered to the trustee by the depositor,
- the trustee becomes incapable of acting, or is adjudged as bankrupt or insolvent, or a receiver of the trustee or of its property is appointed, or any public officer takes charge or control of the trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, or
- a tax is imposed with respect to the issuing entity by any state in which the trustee or the issuing entity is located and the imposition of the tax would be avoided by the appointment of a different trustee.

If the trustee fails to provide certain information or perform certain duties related to the depositor's reporting obligations under the Exchange Act with respect to the issuing entity, the depositor may terminate the trustee without the consent of any of the certificateholders. In addition, the holders of certificates evidencing at least 51% of the Voting Rights of the certificates may at any time remove the trustee and appoint a successor trustee. Notice of any removal of the trustee shall be given by the successor trustee to each Rating Agency.

Any resignation or removal of the trustee and appointment of a successor trustee pursuant to any of the provisions described above will become effective upon acceptance of appointment by the successor trustee.

A successor trustee will not be appointed unless the successor trustee meets the eligibility requirements described above and its appointment does not adversely affect the then-current ratings of the certificates.

## **Voting Rights**

As of any date of determination:

- each class of senior certificates that are notional amount certificates will be allocated 1% of all voting rights in respect of the certificates (collectively, the "Voting Rights") for a total of 3% of the Voting Rights,
- the other classes of certificates, other than the Exchangeable Certificates, will be allocated the remaining Voting Rights in proportion to their respective outstanding Class Certificate Balances, and

- holders of each class of Exchangeable Certificates will be allocated a proportionate share of the Voting Rights allocated to the related classes of Depositable Certificates that have been deposited.

Voting Rights will be allocated among the certificates of each class in accordance with their respective percentage interests.

### **Restrictions on Transfer of the Class A-R Certificates**

The Class A-R Certificates will be subject to the restrictions on transfer described in the prospectus under “*Material Federal Income Tax Consequences — Taxation of the REMIC and Its Holders,*” “*— Taxation of Holders of Residual Interests — Restrictions on Ownership and Transfer of Residual Interests,*” and “*— Tax Treatment of Foreign Investors.*” The Class A-R Certificates (in addition to other ERISA- restricted classes of certificates, as described in the pooling and servicing agreement) may not be acquired by a Plan. See “*ERISA Considerations*” in this prospectus supplement. Each Class A-R Certificate will contain a legend describing the foregoing restrictions.

### **Ownership of the Residual Certificates**

The trustee will be initially designated as “tax matters person” under the pooling and servicing agreement and in that capacity will hold a Class A-R Certificate in the amount of \$0.01. As the tax matters person, the trustee will be the primary representative of the issuing entity with respect to any tax administrative or judicial matter. As trustee, the trustee will be responsible for making a REMIC election with respect to each REMIC created under the pooling and servicing agreement and for preparing and filing tax returns with respect to each REMIC.

### **Restrictions on Investment, Suitability Requirements**

An investment in the certificates may not be appropriate for all investors due to tax, ERISA or other legal requirements. Investors should review the disclosure included in this prospectus supplement and the prospectus under “*Material Federal Income Tax Consequences,*” “*ERISA Considerations*” and “*Legal Matters*” prior to any acquisition and are encouraged to consult with their advisors prior to purchasing the certificates.

### **Yield, Prepayment and Maturity Considerations**

#### **General**

The effective yield to the holders of each interest-bearing class of certificates (other than the LIBOR Certificates) will be lower than the yield otherwise produced by the applicable rate at which interest is passed through to the holders and the purchase price of the certificates because monthly distributions will not be payable to the holders until the 25<sup>th</sup> day (or, if that day is not a business day, the following business day) of the month following the month in which interest accrues on the mortgage loans (without any additional distribution of interest or earnings on them for the delay).

Delinquencies on the mortgage loans that are not advanced by or on behalf of the master servicer (because amounts, if advanced, would be nonrecoverable) will adversely affect the yield on the related certificates. Because of the priority of distributions, shortfalls resulting from delinquencies not so advanced will be borne first by the subordinated certificates, in the reverse order of their numerical class designations, then by the mezzanine certificates, and then by the senior certificates of the senior certificate groups to which the shortfall relates. If, as a result of the shortfalls, the aggregate of the Class Certificate

Balances of all classes of certificates exceeds the pool principal balance, the Class Certificate Balance of the class of subordinated certificates then outstanding with the highest numerical class designation, or the Class Certificate Balance of the mezzanine certificates if no class of subordinated certificates is outstanding, will be reduced by the amount of the excess.

Net Interest Shortfalls will adversely affect the yields of the certificates. Any Net Interest Shortfalls allocated to a class of accrual certificates will reduce the accrual amount thereby reducing the amount of funds available for distribution of principal on the certificates entitled to such amounts. In addition, all losses initially will be borne by the mezzanine certificates and the subordinated certificates, in the reverse order of their distribution priorities (either directly or through distributions in respect of Class PO Deferred Amounts on the related Class PO Component). Moreover, since the Subordinated Principal Distribution Amount for each Distribution Date will be reduced by the amount of any distributions on the Distribution Date in respect of Class PO Deferred Amounts, the amount distributable as principal on each Distribution Date to each class of mezzanine certificates and subordinated certificates then entitled to a distribution of principal will be less than it otherwise would be in the absence of the Class PO Deferred Amounts. As a result, the yields on the certificates will depend on the rate and timing of Realized Losses.

### **Prepayment Considerations and Risks**

The rate of principal payments on the certificates, the aggregate amount of distributions on the certificates and the yield to maturity of the certificates will be related to the rate and timing of payments of principal on the mortgage loans. The rate of principal payments on the mortgage loans will in turn be affected by the amortization schedules of the mortgage loans and by the rate of principal prepayments, including for this purpose, prepayments resulting from refinancing, liquidations of the mortgage loans due to defaults, casualties, condemnations and repurchases by the sellers or master servicer. Except for approximately 4.06% and 5.27% of the mortgage loans in loan group 1 and loan group 2, respectively, by aggregate Stated Principal Balance of the mortgage loans in that loan group as of the cut-off date, which have a prepayment charge if the related mortgagor prepays such mortgage loan during a period ranging from six months to five years after origination, the mortgage loans may be prepaid by the mortgagors at any time without a prepayment charge. Because certain of the mortgage loans contain prepayment charges, the rate of principal prepayments may be less than the rate of principal prepayments for mortgage loans that did not have prepayment penalties. In addition, approximately 46.84% and 46.90% of the mortgage loans in loan group 1 and loan group 2, respectively, by aggregate Stated Principal Balance of the mortgage loans in that loan group as of the cut-off date, do not provide for any payments of principal for the first ten years following their origination. These mortgage loans may involve a greater degree of risk because, if the related mortgagor defaults, the outstanding principal balance of that mortgage loan will be higher than for an amortizing mortgage loan. During their interest-only periods, these mortgage loans may be less likely to prepay as the interest-only feature may reduce the perceived benefits of refinancing due to the smaller monthly payment. However, as an interest-only mortgage loan approaches the end of its interest-only period, it may be more likely to be prepaid, even if market interest rates at the time are only slightly higher or lower than the interest rate on the interest-only mortgage loans as the related borrowers seek to avoid increases in their respective monthly mortgage payment. The mortgage loans are subject to the "due-on-sale" provisions included therein. See *"The Mortgage Pool"* in this prospectus supplement.

Prepayments, liquidations and purchases of the mortgage loans in a loan group will result in distributions on the certificates related to that loan group of principal amounts which would otherwise be distributed over the remaining terms of these mortgage loans. This includes any optional purchase by the master servicer of a defaulted mortgage loan and any optional repurchase of the remaining mortgage loans in all of the loan groups in connection with the termination of the issuing entity, in each case as described in this prospectus supplement. Since the rate of payment of principal of the mortgage loans will depend on future events and a variety of factors, no assurance can be given as to the rate of payment of principal of



the mortgage loans or the rate of principal prepayments. The extent to which the yield to maturity of a class of certificates may vary from the anticipated yield will depend upon the degree to which the certificate is purchased at a discount or premium, and the degree to which the timing of payments thereon is sensitive to prepayments, liquidations and purchases of the mortgage loans in that loan group. Further, an investor should consider the risk that, in the case of the Class PO Certificates and any other certificate purchased at a discount, a slower than anticipated rate of principal payments (including prepayments) on the mortgage loans in that loan group could result in an actual yield to the investor that is lower than the anticipated yield and, in the case of the notional amount certificates and any other certificate purchased at a premium, a faster than anticipated rate of principal payments could result in an actual yield to the investor that is lower than the anticipated yield. Investors in the notional amount certificates should carefully consider the risk that a rapid rate of principal payments on the mortgage loans in the related loan group could result in the failure of the investors to recover their initial investments.

The rate of principal payments (including prepayments) on pools of mortgage loans may vary significantly over time and may be influenced by a variety of economic, geographic, social and other factors, including changes in mortgagors' housing needs, job transfers, unemployment, mortgagors' net equity in the mortgaged properties, servicing decisions, as well as the characteristics of the mortgage loans included in the mortgage pool as described under "*The Mortgage Pool — General*" and "*—Underwriting Process*" in this prospectus supplement. In addition, Countrywide Home Loans' Streamlined Documentation Program may affect the rate of prepayments on the mortgage loans. In general, if prevailing interest rates were to fall significantly below the mortgage rates on the mortgage loans, the mortgage loans could be subject to higher prepayment rates than if prevailing interest rates were to remain at or above the mortgage rates on the mortgage loans. Conversely, if prevailing interest rates were to rise significantly, the rate of prepayments on the mortgage loans would generally be expected to decrease. No assurances can be given as to the rate of prepayments on the mortgage loans in stable or changing interest rate environments. Furthermore, with respect to up to 50% of the mortgage loans in each loan group, the depositor may deliver all or a portion of each related mortgage file to the trustee after the closing date. Should Countrywide Home Loans or any other seller fail to deliver all or a portion of any mortgage files to the depositor or other designee of the depositor or, at the depositor's direction, to the trustee, within that period, Countrywide Home Loans will be required to use its best efforts to deliver a replacement mortgage loan for the related delayed delivery mortgage loan or repurchase the related delayed delivery mortgage loan. Any repurchases pursuant to this provision would also have the effect of accelerating the rate of prepayments on the mortgage loans.

As described under "*Description of the Certificates — Principal*" in this prospectus supplement, the Senior Prepayment Percentage of the applicable Non-PO Percentage of all principal prepayments on the mortgage loans in a loan group will be initially distributed to the classes of related senior certificates (other than the notional amount certificates and the related Class PO Component) then entitled to receive principal prepayment distributions. This may result in all (or a disproportionate percentage) of the principal prepayments being distributed to holders of the classes of senior certificates (other than the Class PO Certificates) and none (or less than their *pro rata* share) of the principal prepayments being distributed to holders of the mezzanine certificates and the subordinated certificates during the periods of time described in the definition of "Senior Prepayment Percentage." The Class 1-A-5 Certificates generally will not receive principal distributions for the first five years after the closing date. The weighted average life and the resulting yield to maturity of each class of Exchangeable Certificates will reflect a combination of the performance characteristics of the related classes of Depositable Certificates.

The yields to maturity on the senior certificates (other than the Class PO Certificates) will reflect the prepayment experience on the mortgage loans in the related loan group, and the yields on the mezzanine certificates and the subordinated certificates and the Class PO Certificates will reflect a combination of prepayment experience on the mortgage loans in both loan groups. Since the mortgage

loans in each loan group may exhibit different prepayment behavior either simultaneously or over time, it will be more difficult to estimate the possible prepayment experience on and the resulting effects on the yields to maturity of those certificates.

The timing of changes in the rate of prepayments on the mortgage loans may significantly affect an investor's actual yield to maturity, even if the average rate of principal payments is consistent with an investor's expectation. In general, the earlier a prepayment of principal on the mortgage loans, the greater the effect on an investor's yield to maturity. The effect on an investor's yield as a result of principal payments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the offered certificates may not be offset by a subsequent like decrease (or increase) in the rate of principal payments.

The tables in this "*Yield, Prepayment and Maturity Considerations*" section indicate the sensitivity of the pre-tax corporate bond equivalent yields to maturity of the illustrated classes of certificates to various constant percentages of the Prepayment Assumption, and, in the case of the Inverse Floating Rate Certificates, to various levels of LIBOR. The yields set forth in the tables were calculated by determining the monthly discount rates that, when applied to the assumed streams of cash flows to be paid on the applicable classes of certificates, would cause the discounted present value of the assumed streams of cash flows to equal the assumed aggregate purchase prices of the applicable classes and converting the monthly rates to corporate bond equivalent rates. Those calculations do not take into account variations that may occur in the interest rates at which investors may be able to reinvest funds received by them as distributions on the certificates and consequently do not purport to reflect the return on any investment in any class of certificates when the reinvestment rates are considered.

### **Sensitivity of the Inverse Floating Rate Certificates**

The yield to investors in the Class 2-A-2 Certificates (we sometimes refer to these certificates as "Inverse Floating Rate Certificates") will be very sensitive to the level of LIBOR and the rate and timing of principal payments (including prepayments) of the mortgage loans in loan group 2, which can be prepaid at any time. As indicated in the table below, an increasing level of prepayments and/or LIBOR will have a negative effect on the yield to investors in the Inverse Floating Rate Certificates.

Changes in the level of LIBOR may not correlate with changes in prevailing mortgage interest rates. It is possible that lower prevailing mortgage interest rates, which might be expected to result in faster prepayments, could occur concurrently with an increased level of LIBOR.

The following table was prepared on the basis of the structuring assumptions and the assumptions that (i) the interest rate applicable to the Inverse Floating Rate Certificates for each interest accrual period, subsequent to its initial interest accrual period, will be based on the indicated level of LIBOR and (ii) the purchase price of the Inverse Floating Rate Certificates (expressed as a percentage of its initial notional amount) is as follows:

<u>Class</u>	<u>Price*</u>
Class 2-A-2 .....	0.500%

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\* This price does not include accrued interest. Accrued interest has been added to the price in calculating the yields set forth in the table below.

**Sensitivity of the Class 2-A-2 Certificates to Prepayments and LIBOR  
(Pre-Tax Yield to Maturity)**

<b>LIBOR</b>	<b>Percentage of the Group 2 Prepayment Assumption</b>				
	<b>0%</b>	<b>50%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>
4.50% .....	277.4%	252.7%	201.6%	144.2%	89.8%
5.00% .....	125.9%	102.6%	51.3%	(1.4)%	(44.8)%
5.32% .....	45.8%	23.5%	(41.0)%	(90.5)%	**
5.37% .....	34.4%	13.0%	(57.3)%	**	**
5.53% and above.....	**	**	**	**	**

\*\*Less than (99.9)%

It is highly unlikely that all of the mortgage loans in loan group 2 will have the characteristics assumed or that those mortgage loans will prepay at the same rate until maturity or that all of the mortgage loans in loan group 2 will prepay at the same rate or time. In addition, there can be no assurance that LIBOR will correspond to the levels shown herein and it is highly unlikely that the level of LIBOR will remain constant. As a result of these factors, the pre-tax yield on the Inverse Floating Rate Certificates is likely to differ from those shown in the table above, even if all of the mortgage loans in loan group 2 prepay at the indicated percentage of the Group 2 Prepayment Assumption and LIBOR is at the indicated level. No representation is made as to the actual rate of principal payments on the mortgage loans in loan group 2, the level of LIBOR for any period or over the life of the Inverse Floating Rate Certificates or as to the yield on the Inverse Floating Rate Certificates. Investors must make their own decisions as to the appropriate combinations of prepayment assumptions and assumptions regarding the level of LIBOR to be used in deciding whether to purchase the Inverse Floating Rate Certificates.

**Sensitivity of the Notional Amount Certificates (other than the Class 2-A-2 and Class X Certificates)**

As indicated in the following table, the yields to investors in the Class 1-A-11, Class 1-A-14, Class 2-A-12, Class 2-A-15 and Class 2-A-18 Certificates will be sensitive to the rate of principal payments (including prepayments) on the mortgage loans in loan group 1 or loan group 2, as applicable, which can be prepaid at any time. On the basis of the structuring assumptions and prices below and assuming that the initial notional amounts of these certificates equal their respective maximum initial amounts, the yields to maturity on the Class 1-A-11, Class 1-A-14, Class 2-A-12, Class 2-A-15 and Class 2-A-18 Certificates would be approximately 0% if prepayments of the mortgage loans were to occur at a constant rate of approximately 92%, 191%, 89%, 128% and 148%, respectively, of the applicable Prepayment Assumption. If the actual prepayment rate of the mortgage loans were to exceed the foregoing levels for as little as one month while equaling the levels for the remaining months, the investors in the Class 1-A-11, Class 1-A-14, Class 2-A-12, Class 2-A-15 and Class 2-A-18 Certificates would not fully recoup their initial investments.

The information set forth in the following table has been prepared on the basis of the structuring assumptions and on the assumption that the purchase prices of the Class 1-A-11, Class 1-A-14, Class 2-A-12, Class 2-A-15 and Class 2-A-18 Certificates (expressed as percentages of their respective initial notional amounts) are as follows:

<u>Class</u>	<u>Price*</u>
Class 1-A-11 .....	30.000%
Class 1-A-14 .....	32.000%
Class 2-A-12 .....	20.000%
Class 2-A-15 .....	22.000%
Class 2-A-18 .....	20.000%

\* The prices do not include accrued interest. Accrued interest has been added to the prices in calculating the yields set forth in the table below.

**Sensitivity of the Notional Amount Certificates (other than the Class X Certificates)  
to Prepayments  
(Pre-tax Yield to Maturity)**

<u>Class</u>	<u>Percentage of the Prepayment Assumption</u>				
	<u>0%</u>	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>200%</u>
Class 1-A-11 .....	19.3%	9.3%	(1.8)%	(15.7)%	(39.2)%
Class 1-A-14 .....	18.5%	16.3%	14.4%	10.7%	(2.4)%
Class 2-A-12 .....	30.9%	11.8%	(5.5)%	(35.0)%	(64.8)%
Class 2-A-15 .....	28.3%	25.8%	12.7%	(10.2)%	(36.5)%
Class 2-A-18 .....	31.2%	29.9%	19.6%	(0.7)%	(25.2)%

It is unlikely that the mortgage loans in any loan group will have the precise characteristics described in this prospectus supplement or that the mortgage loans in any loan group will all prepay at the same rate until maturity or that all of the mortgage loans in any loan group will prepay at the same rate or time. As a result of these factors, the pre-tax yields on the Class 1-A-11, Class 1-A-14, Class 2-A-12, Class 2-A-15 and Class 2-A-18 Certificates are likely to differ from those shown in the table above, even if all of the mortgage loans in the related loan group prepay at the indicated percentages of the applicable Prepayment Assumption. No representation is made as to the actual rate of principal payments on the mortgage loans in any loan group for any period or over the lives of the Class 1-A-11, Class 1-A-14, Class 2-A-12, Class 2-A-15 and Class 2-A-18 Certificates or as to the yields on the Class 1-A-11, Class 1-A-14, Class 2-A-12, Class 2-A-15 and Class 2-A-18 Certificates. Investors must make their own decisions as to the appropriate prepayment assumptions to be used in deciding whether to purchase the Class 1-A-11, Class 1-A-14, Class 2-A-12, Class 2-A-15 and Class 2-A-18 Certificates.

**Sensitivity of the Class 1-X and Class 2-X Certificates**

As indicated in the following table, the yields to investors in the Class 1-X and Class 2-X Certificates will be sensitive to the rate of principal payments (including prepayments) on the Non-Discount mortgage loans in the related loan group (particularly those with high net mortgage rates), which generally can be prepaid at any time. On the basis of the structuring assumptions and prices below, the yields to maturity on the Class 1-X and Class 2-X Certificates would be approximately 0% if prepayments of the Non-Discount mortgage loans in the related loan group were to occur at a constant rate of approximately 204% and 156%, respectively, of the related Prepayment Assumption. If the actual prepayment rate of the Non-Discount mortgage loans in the related loan group were to exceed the foregoing levels for as little as one month while equaling the levels for the remaining months, the investors in the Class 1-X and Class 2-X Certificates would not fully recoup their initial investments.

As described under “*Description of the Certificates — General*,” the pass-through rates of the Class 1-X and Class 2-X Certificates in effect from time to time are calculated by reference to the net mortgage rates of the Non-Discount mortgage loans in the related loan group. The Non-Discount mortgage loans in the related loan group will have higher net mortgage rates (and higher mortgage rates) than the

other mortgage loans in that loan group. In general, mortgage loans with higher mortgage rates tend to prepay at higher rates than mortgage loans with relatively lower mortgage rates in response to a given change in market interest rates. As a result, the Non-Discount mortgage loans in a loan group may prepay at higher rates, thereby reducing the related pass-through rate and related notional amount of the Class 1-X and Class 2-X Certificates, as applicable.

The information set forth in the following table has been prepared on the basis of the structuring assumptions and on the assumption that the respective purchase prices of the Class 1-X and Class 2-X Certificates (expressed as percentages of their respective initial notional amounts) are as follows:

Class	Price*
Class 1-X .....	1.056%
Class 2-X .....	1.136%

\* The prices do not include accrued interest. Accrued interest has been added to each such price in calculating the yields set forth in the table below.

**Sensitivity of the Class 1-X and Class 2-X Certificates  
to Prepayments  
(Pre-Tax Yields to Maturity)**

Class	Percentage of the Related Prepayment Assumption				
	0%	50%	100%	150%	200%
Class 1-X .....	42.8%	33.1%	23.0%	12.3%	1.1%
Class 2-X .....	43.4%	30.5%	16.8%	2.1%	(13.8)%

It is unlikely that the Non-Discount mortgage loans in any loan group will have the precise characteristics described in this prospectus supplement or that the Non-Discount mortgage loans in any loan group will all prepay at the same rate until maturity or that all of the Non-Discount mortgage loans in any loan group will prepay at the same rate or time. As a result of these factors, the pre-tax yields on the Class 1-X and Class 2-X Certificates are likely to differ from those shown in the table above, even if all of the Non-Discount mortgage loans in the related loan group prepay at the indicated percentages of the Prepayment Assumption. No representation is made as to the actual rate of principal payments on the Non-Discount mortgage loans in any loan group for any period or over the lives of the Class 1-X and Class 2-X Certificates or as to the yields on those Certificates. Investors must make their own decisions as to the appropriate prepayment assumptions to be used in deciding whether to purchase the Class 1-X and Class 2-X Certificates.

**Sensitivity of the Class PO Certificates**

**The Class PO Certificates will be “principal only” certificates and will not bear interest. As indicated in the following table, a lower than anticipated rate of principal payments (including prepayments) on the Discount mortgage loans will have a negative effect on the yield to investors in the Class PO Certificates.**

As described above under “*Description of the Certificates — Principal*” in this prospectus supplement, the Class PO Principal Distribution Amount is calculated by reference to the principal payments (including prepayments) on the Discount mortgage loans. The Discount mortgage loans will have lower net mortgage rates (and lower mortgage rates) than the other mortgage loans. In general, mortgage loans with higher mortgage rates tend to prepay at higher rates than mortgage loans with relatively lower mortgage rates in response to a given change in market interest rates. As a result, the

Discount mortgage loans may prepay at lower rates, thereby reducing the rate of payment of principal and the resulting yield of the Class PO Certificates.

The information set forth in the following table has been prepared on the basis of the structuring assumptions and on the assumption that the purchase price of the Class PO Certificates (expressed as a percentage of its initial Class Certificate Balance) is as follows:

<u>Class</u>	<u>Price</u>
Class PO .....	69.000%

**Sensitivity of the Class PO Certificates to Prepayments  
(Pre-Tax Yield to Maturity)**

<u>Class</u>	<u>Percentage of the Related Prepayment Assumption</u>				
	<u>0%</u>	<u>50%</u>	<u>100%</u>	<u>150%</u>	<u>200%</u>
Class PO .....	1.9%	5.3%	9.8%	14.6%	19.7%

It is unlikely that the Discount mortgage loans will have the precise characteristics described in this prospectus supplement or that the Discount mortgage loans will all prepay at the same rate until maturity or that all of the Discount mortgage loans will prepay at the same rate or time. As a result of these factors, the pre-tax yield on the Class PO Certificates is likely to differ from those shown in the table above, even if all of the Discount mortgage loans prepay at the indicated percentages of the Prepayment Assumption. No representation is made as to the actual rate of principal payments on the Discount mortgage loans for any period or over the life of the Class PO Certificates or as to the yield on the Class PO Certificates. Investors must make their own decisions as to the appropriate prepayment assumptions to be used in deciding whether to purchase the Class PO Certificates.

**Weighted Average Lives of the Offered Certificates**

The weighted average life of an offered certificate is determined by (a) multiplying the amount of the net reduction, if any, of the Class Certificate Balance or notional amount, as applicable, of the certificate on each Distribution Date by the number of years from the date of issuance to the Distribution Date, (b) summing the results and (c) dividing the sum by the aggregate amount of the net reductions in Class Certificate Balance or notional amount, as applicable, of the certificate referred to in clause (a).

For a discussion of the factors which may influence the rate of payments (including prepayments) of the mortgage loans, see “— *Prepayment Considerations and Risks*” in this prospectus supplement and “*Yield, Maturity and Prepayment Considerations*” in the prospectus.

In general, the weighted average lives of the offered certificates will be shortened if the level of prepayments of principal of the mortgage loans in the related loan group or loan groups increases. However, the weighted average lives of the offered certificates will depend upon a variety of other factors, including the timing of changes in such rate of principal payments, the priority sequence of distributions of principal of the related classes of certificates and the distribution of the amount available for distribution of principal to the related classes of senior certificates (other than the notional amount certificates and the related Class PO Component) in accordance with the rules governing the priorities of payment among the related classes of senior certificates set forth in this prospectus supplement. See “*Description of the Certificates — Principal*” in this prospectus supplement.

The interaction of the foregoing factors may have different effects on various classes of offered certificates and the effects on any class may vary at different times during the life of the class.

Accordingly, no assurance can be given as to the weighted average life of any class of offered certificates. Further, to the extent the prices of the offered certificates represent discounts or premiums to their respective initial Class Certificate Balances or initial notional amounts, as the case may be, variability in the weighted average lives of the classes of offered certificates will result in variability in the related yields to maturity. For an example of how the weighted average lives of the classes of offered certificates may be affected at various constant percentages of the Prepayment Assumption, see the Decrement Tables under the next heading.

### **Decrement Tables**

The following tables indicate the percentages of the initial Class Certificate Balances or initial notional amounts of the classes of offered certificates (other than the Class 1-X and Class 2-X Certificates) that would be outstanding after each of the dates shown at various constant percentages of the Prepayment Assumption and the corresponding weighted average lives of the classes. The tables have been prepared on the basis of the structuring assumptions. It is not likely that the mortgage loans will have the precise characteristics described in this prospectus supplement or that all of the mortgage loans will prepay at the constant percentages of the Prepayment Assumption specified in the tables or at any other constant rate. Moreover, the diverse remaining terms to maturity of the mortgage loans could produce slower or faster principal distributions than indicated in the tables, which have been prepared using the specified constant percentages of the Prepayment Assumption even if the remaining term to maturity of the mortgage loans is consistent with the remaining terms to maturity of the mortgage loans specified in the structuring assumptions.

**Percent of Initial Class Certificate Balances Outstanding\***

<b>Distribution Date</b>	<b>Class 1-A-1, Class 1-A-9, Class 1-A-10 and Class 1-A-11†</b>					<b>Class 1-A-2, Class 1-A-3 and Class 1-A-6</b>				
	<b>Percentage of Related Prepayment Assumption</b>					<b>Percentage of Related Prepayment Assumption</b>				
	<b>0%</b>	<b>50%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>0%</b>	<b>50%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>
Initial .....	100	100	100	100	100	100	100	100	100	100
January 2008 .....	99	93	86	79	72	99	91	83	75	67
January 2009 .....	99	83	69	56	43	99	80	63	47	32
January 2010 .....	98	75	55	38	25	98	70	46	26	10
January 2011 .....	97	67	43	26	13	97	60	32	11	0
January 2012 .....	97	60	34	17	5	96	52	21	1	0
January 2013 .....	96	53	27	11	0	95	45	13	0	0
January 2014 .....	95	48	21	7	0	94	38	7	0	0
January 2015 .....	94	43	17	4	0	93	33	3	0	0
January 2016 .....	93	38	13	3	0	92	29	1	0	0
January 2017 .....	92	35	11	2	0	91	25	0	0	0
January 2018 .....	90	31	9	1	0	88	22	0	0	0
January 2019 .....	87	27	7	1	0	86	18	0	0	0
January 2020 .....	85	24	5	1	0	83	16	0	0	0
January 2021 .....	82	21	4	0	0	80	13	0	0	0
January 2022 .....	79	18	3	0	0	77	10	0	0	0
January 2023 .....	76	16	3	0	0	73	8	0	0	0
January 2024 .....	72	14	2	0	0	70	6	0	0	0
January 2025 .....	69	12	2	0	0	66	5	0	0	0
January 2026 .....	65	10	1	0	0	62	3	0	0	0
January 2027 .....	60	9	1	0	0	57	2	0	0	0
January 2028 .....	56	7	1	0	0	53	0	0	0	0
January 2029 .....	51	6	1	0	0	48	0	0	0	0
January 2030 .....	46	5	0	0	0	42	0	0	0	0
January 2031 .....	41	4	0	0	0	37	0	0	0	0
January 2032 .....	35	3	0	0	0	30	0	0	0	0
January 2033 .....	29	2	0	0	0	24	0	0	0	0
January 2034 .....	22	2	0	0	0	17	0	0	0	0
January 2035 .....	15	1	0	0	0	9	0	0	0	0
January 2036 .....	8	0	0	0	0	2	0	0	0	0
January 2037 .....	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (in years)** .....	20.8	8.6	4.7	3.0	2.1	20.1	6.8	3.2	2.1	1.6

\* Rounded to the nearest whole percentage.

\*\* Determined as specified under “*Weighted Average Lives of the Offered Certificates*” herein.

† In the case of the Class 1-A-11 Certificates, the decrement table indicates the percentage of its maximum initial notional amount outstanding.



**Percent of Initial Class Certificate Balances Outstanding\***

<u>Distribution Date</u>	Class 1-A-4					Class 1-A-5, Class 1-A-7, Class 1-A-8, Class 1-A-12, Class 1-A-13 and Class 1-A-14†				
	Percentage of Related Prepayment Assumption					Percentage of Related Prepayment Assumption				
	0%	50%	100%	150%	200%	0%	50%	100%	150%	200%
Initial .....	100	100	100	100	100	100	100	100	100	100
January 2008 .....	100	100	100	100	100	100	100	100	100	100
January 2009 .....	100	100	100	100	100	100	100	100	100	100
January 2010 .....	100	100	100	100	100	100	100	100	100	100
January 2011 .....	100	100	100	100	46	100	100	100	100	100
January 2012 .....	100	100	100	100	0	100	100	100	100	46
January 2013 .....	100	100	100	20	0	100	97	94	91	4
January 2014 .....	100	100	100	0	0	99	93	87	64	0
January 2015 .....	100	100	100	0	0	99	87	76	38	0
January 2016 .....	100	100	100	0	0	98	80	65	24	0
January 2017 .....	100	100	93	0	0	97	72	52	17	0
January 2018 .....	100	100	74	0	0	94	64	42	12	0
January 2019 .....	100	100	59	0	0	92	57	33	8	0
January 2020 .....	100	100	47	0	0	89	50	27	6	0
January 2021 .....	100	100	37	0	0	86	44	21	4	0
January 2022 .....	100	100	30	0	0	83	39	17	3	0
January 2023 .....	100	100	23	0	0	80	34	13	2	0
January 2024 .....	100	100	18	0	0	76	29	10	1	0
January 2025 .....	100	100	14	0	0	72	25	8	1	0
January 2026 .....	100	100	11	0	0	68	22	6	1	0
January 2027 .....	100	100	8	0	0	64	19	5	0	0
January 2028 .....	100	100	6	0	0	59	16	4	0	0
January 2029 .....	100	87	5	0	0	54	13	3	0	0
January 2030 .....	100	71	4	0	0	49	11	2	0	0
January 2031 .....	100	57	3	0	0	43	9	1	0	0
January 2032 .....	100	45	2	0	0	37	7	1	0	0
January 2033 .....	100	33	1	0	0	30	5	1	0	0
January 2034 .....	100	23	1	0	0	23	4	0	0	0
January 2035 .....	100	15	0	0	0	16	2	0	0	0
January 2036 .....	100	7	0	0	0	8	1	0	0	0
January 2037 .....	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (in years)** .....	29.6	24.9	13.9	5.7	4.0	21.7	14.3	11.2	8.3	5.1

\* Rounded to the nearest whole percentage.

\*\* Determined as specified under "Weighted Average Lives of the Offered Certificates" herein.

† In the case of the Class 1-A-14 Certificates, the decrement table indicates the percentage of its maximum initial notional amount outstanding.

**Percent of Initial Class Certificate Balances Outstanding\***

<b>Distribution Date</b>	<b>Class 2-A-1 and Class 2-A-2†</b>					<b>Class 2-A-3, Class 2-A-10, Class 2-A-11 and Class 2-A-12†</b>				
	<b>Percentage of Related Prepayment</b>					<b>Percentage of Related Prepayment</b>				
	<b>Assumption</b>					<b>Assumption</b>				
	<b>0%</b>	<b>50%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>	<b>0%</b>	<b>50%</b>	<b>100%</b>	<b>150%</b>	<b>200%</b>
Initial .....	100	100	100	100	100	100	100	100	100	100
January 2008 .....	100	88	68	47	26	100	89	89	89	89
January 2009 .....	100	69	26	0	0	100	79	79	61	11
January 2010 .....	100	53	0	0	0	100	68	63	0	0
January 2011 .....	100	41	0	0	0	100	58	24	0	0
January 2012 .....	100	31	0	0	0	100	47	0	0	0
January 2013 .....	100	24	0	0	0	100	36	0	0	0
January 2014 .....	100	19	0	0	0	100	26	0	0	0
January 2015 .....	100	17	0	0	0	100	15	0	0	0
January 2016 .....	100	17	0	0	0	100	5	0	0	0
January 2017 .....	100	17	0	0	0	100	0	0	0	0
January 2018 .....	100	17	0	0	0	96	0	0	0	0
January 2019 .....	100	16	0	0	0	91	0	0	0	0
January 2020 .....	100	13	0	0	0	85	0	0	0	0
January 2021 .....	100	10	0	0	0	79	0	0	0	0
January 2022 .....	100	8	0	0	0	72	0	0	0	0
January 2023 .....	100	6	0	0	0	65	0	0	0	0
January 2024 .....	100	5	0	0	0	57	0	0	0	0
January 2025 .....	100	4	0	0	0	48	0	0	0	0
January 2026 .....	100	4	0	0	0	38	0	0	0	0
January 2027 .....	99	4	0	0	0	27	0	0	0	0
January 2028 .....	99	4	0	0	0	17	0	0	0	0
January 2029 .....	97	4	0	0	0	6	0	0	0	0
January 2030 .....	95	4	0	0	0	0	0	0	0	0
January 2031 .....	92	4	0	0	0	0	0	0	0	0
January 2032 .....	83	3	0	0	0	0	0	0	0	0
January 2033 .....	68	2	0	0	0	0	0	0	0	0
January 2034 .....	53	2	0	0	0	0	0	0	0	0
January 2035 .....	36	1	0	0	0	0	0	0	0	0
January 2036 .....	19	0	0	0	0	0	0	0	0	0
January 2037 .....	0	0	0	0	0	0	0	0	0	0
Weighted Average Life (in years)** .....	26.9	5.4	1.5	1.0	0.8	17.3	4.8	3.1	2.1	1.6

\* Rounded to the nearest whole percentage.

\*\* Determined as specified under “*Weighted Average Lives of the Offered Certificates*” herein.

† In the case of the Class 2-A-2 and Class 2-A-10 Certificates, the decrement table indicates the percentage of their respective maximum initial notional amounts outstanding.